Daily Report

Latin America

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Foreign Minister Discusses Guatemalan Situation

PY0406014493 Montevideo Radio El Espectador Network in Spanish 0000 GMT 4 Jun 93

[Text] Uruguayan Foreign Minister Sergio Abreu, who participated in an OAS mission to Guatemala, today urged a quick restoration of democratic institutional rule in that Central American country.

Briefing Latin American, Caribbean, the U.S., and the Canadian foreign ministers, who met to discuss the situation in Guatemala, Foreign Minister Abreu stressed that a return to a constitutional system and institutional order is important. He also emphasized the efforts currently being made by various Guatemalan society circles to reach political agreements to guarantee a solution to the current crisis.

Abreu, who checked the situation, emphasized that the people leading the process in Guatemala have pointed out that it is essential to purge political society and the institutional organizations to restore democratic rule's credibility. He also confirmed the existence of a belief that corruption must be fought within—and not outside—democratic rule.

Concerning the role played by the OAS, Foreign Minister Abreu stressed that the OAS mission followed the OAS Permanent Council's resolution issued on 25 May. This resolution urged a quick restoration of democratic rule in Guatemala. He added: We met with all social sectors, including the military leadership.

Concerning the Armed Forces' role in the process, Abreu explained that after the disruption of democratic rule they initially interpreted it as a civilian development, but, after a meeting with the OAS mission, the Armed Forces' position advanced toward seeking solutions within a constitutional framework.

Abreu added that the firm position of championing democracy, which was advocated by the OAS in its talks with [name indistinct] and the Armed Forces, was supported within the framework of respect for the principle of nonintervention.

Finally, Abreu expressed his hope of reaching a constitutional solution, with the participation of various sectors, that will restore democratic rule.

The OAS mission, in which Foreign Minister Abreu participated, was congratulated by the foreign ministers present at the ad hoc meeting in Washington. The foreign ministers began discussing a draft resolution this afternoon.

Foreign Minister Abreu will be back in Montevideo tomorrow afternoon.

Ministers Concerned About Puerto Rican Funding, Guatemala

FL3005201093 Bridgetown CANA in English 2158 GMT 29 May 93

[Text] Kingston, Jamaica, May 29, CANA—Caribbean Community and Central American foreign ministers have voiced concern about Guatemalan President Jorge Serrano's self-coup and changes with Puerto Rico's "936" funding programme.

"The ministers expressed their concern at the situation prevailing in Guatemala and their desire for an early reinstatement of democratic institutions under the rule of law in that country," a communique issued here Saturday [29 May] after talks Thursday and Friday said. "They called for full maintenace of human rights for the Guatemalan people."

Serrano is ruling by decree after shutting down Congress and the Supreme Court.

Serrano, a born-again Christian elected to his office in 1991, said he took the drastic measures to fight corruption, drug-trafficking and civil unrest.

The Caribbean and Central American ministers also said they "received with deep concern information on proposed revisions to the 936 section of the Internal Revenue Code by the United States Administration and Congress."

The proposals, they said, would "drastically reduce resources available to the Commonwealth of Puerto Rico under Section 936".

The move resulted in the decision of the administration of Puerto Rico to suspend lending to projects over US$5 million dollars under the Caribbean Development Programme.

"Ministers consider that any change in the programme would not only reflect a breach of a commitment, but would create grave uncertainty in the private sector and significantly debilitate the economy of the CBI (Caribbean Basin Initiative) countries," the communique said.

"The ministers call upon the United States Administration and Congress to retain Section 936 in its present form. They further call on the administration of Puerto Rico to restore and maintain the operation of the Caribbean development programme in its present form."

The meeting here also discussed the political crisis in Haiti, triggered by the ousting of President Jean-Bertrand Aristide; the controversial Caribbean-Central American banana trade with Europe; and falling coffee prices.

"The ministers expressed their concern with respect to the serious situation prevailing in the coffee market in which the low level of prices threatens the continued

production of this crop which is of fundamental importance to the economies of certain Caribbean countries and of all the countries of Central America," the communique said.

"The ministers of Caricom member states expressed their willingness to collaborate with the Central American countries, in appropriate circumstances, in the search for coordinated actions with coffee producing countries members of the ACP (African, Caribbean and Pacific Group) in order to secure fair and remunerative prices."

On Haiti, they urged the international community "to intensify its efforts to bring about an early solution" of the political crisis.

The ministers restated their commitment to increased trade flows between Caricom countries and Central America.

"They mandated their respective secretariats to undertake, in collaboration with the private sectors of both sub-regions, market research in the sectors of mutual interest, to convene seminars/workshops on business opportunities within both sub-regions and to exchange information on trade fairs and exhibitions," according to the communique.

The main aims of the second Caricom-Central American ministerial conference in Kingston were to review developments in the relations between the two sub-regions since the first conference in Honduras, January 29-31, 1992, and to identify new areas for collaboration "together with the mechanisms and strategies which might be most-effective for their pursuit".

Brazil's Franco Addresses ALADI Members in Montevideo

PY0206224193 Madrid EFE in Spanish 1518 GMT 29 May 93

[Article by Jorge Figueroa]

[Text] Montevideo, 29 May (EFE)—Brazilian President Itamar Franco said today, before concluding his three-day official visit to Uruguay, that Latin American integration is the guarantee of a better future for the people of this region.

Franco said: "Strengthening agreements, consolidating the need for democracy, and exploring the limits of our potential, to give our people the possibility of a better life while fully exercising individual freedoms, are the great challenges we must face united at the close of this century."

Upon being received by the Committee of Representatives of the Latin American Integration Association (ALADI), Franco emphasized "the importance of the figures showing the success of integration," pointing out that in 1991 trade between the ALADI members reached $15 billion, which represents double the value of six years ago.

Franco added: "In 1992 the trade between ALADI members was again doubled, reaching $31 billion, and in the last six years ALADI exports to all markets grew 30 percent, surpassing $100 billion."

Franco indicated that "important events are taking place" in Brazil. He pointed out part of his government plan, recently announced, which "will determine the efforts for reforming and improving the state, the economy, and society in order to retake the country's development process on a just, democratic, and equitable basis."

In an address to the ambassadors of the 11 countries that make up ALADI and to the observers in this organization, Franco said he is convinced that "the great challenge facing Brazilian society is to achieve equity," and in order to do that "my program will not disregard the needs of the poor, seeking development with emphasis on social justice and the struggle against hunger and misery."

Franco added: "The future of the social progress we want will be achieved faster if we combine the internal structure of the country's organizations with the establishment of links uniting us more closely with our neighbors and partners."

Franco concluded by saying: "With the certainty that integration is the guarantee for a better future, and with the pride of belonging to an organization that is a virtual parliament for Latin American integration, I would like to reaffirm Brazil's irreversible commitment to ALADI objectives."

ALADI, which has its headquarters in Montevideo, is made up of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Paraguay, Peru, Uruguay, and Venezuela. Its secretary general is the Brazilian Antonio Antunes, who replaced Colombian Jorge Luis Ordonez last March. The countries having observers in ALADI are Costa Rica, Cuba, El Salvador, Spain, Honduras, Italy, Nicaragua, Panama, Portugal, and the Dominican Republic.

Cuba

Castro Meets With Mexican Solidarity Delegation

FL0306140193 Havana Radio Progreso Network in Spanish 1130 GMT 3 Jun 93

[Text] Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers, held a fraternal meeting with members of the Va Por Cuba solidarity group visiting Cuba from Mexico. During the meeting, the Mexican friends reaffirmed their rejection of the imperialist blockade against our fatherland and the desire to continue carrying out their work of solidarity with Cuba. Fidel thanked them on behalf of the Cuban people for the Mexican people's gesture of solidarity with Cuba. He highlighted the great significance of this and other solidarity campaigns being carried out in many countries around the world, including the United States. Fidel spoke of the efforts by the Pastors For Peace movement, which has worked together with the Va Por Cuba solidarity group.

The Va Por Cuba delegation arrived in Cuba on 26 May to deliver their second donation, which on this occasion included more than 350 tons of various goods such as lubricants, fertilizers, medicines, powdered milk, and flour.

Carlos Lage Davila, secretary of the executive committee of the Council of Ministers, and Manuel Menendez, secretary general of the National Chemical, Mining, and Energy Industry Workers Trade Union, also participated in the meeting.

Castro Sends Congratulatory Letter to Teachers

FL0306011593 Havana Radio Rebelde Network in Spanish 2300 GMT 3 Jun 93

[Letter from Cuban President Fidel Castro Ruz to the members of the second contingent of the Manuel Ascunce Domenech Detachment on 1 June]

[Text] Esteemed comrades: We are just two months away from the end of the school year, which despite having been characterized by great economic limitations, has had the benefit of the sustained efforts you, as well as all the members of Cuba's teaching profession, have been making in the educational field. For that reason, and since we happen to be in the year marking the 20th anniversary of the formation of this contingent, I send you my most sincere congratulations and my gratitude, which I extend to all education sector workers, especially to those comrades who, because they are also mothers, have had to put forth an even greater effort.

I know that the work done at this phase of the school year is arduous, and I also know how responsibly you are already preparing for the next school year.

I take this opportunity to urge you to continue struggling with this same spirit to keep our schools functioning, and to continue working to improve the quality of education.

A revolutionary embrace to you all.

UN Official on Greater Regional Rapport on Drug Control

FL0406015293 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 4 Jun 93

[Text] Gerd Morren, director of operations of the U.N. program for the international supervision of drugs, heads a delegation, which is making a working visit to Cuba. Today, they met with the Cuban Antidrug Commission, headed by Justice Minister Dr. Carlos Amat.

[Begin Morren recording] We have cooperated for many years with Cuba. We have always been impressed by the efficiency, sincerity, and professionalism of the technicians and the states, which supervise the control and inspection of drugs. Therefore, and at the same time, especially in relation to the reparation of Cuba's master plan to renew dialogue and talk about the possible expansion and intensification of our cooperation. [sentence as heard].

We think that we should intensify our cooperation with the different countries of the Caribbean. Obviously, Cuba has a special position. It is almost like a very important defense for the high demand markets of the North, and from this point of view, I think it is only fair to intensify cooperation. [end recording]

Civil Defense Updates Storm Damage Figures

FL0406013493 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 4 Jun 93

[Bulletin No. 6 issued by the National Civil Defense General Staff on 3 June]

[Excerpt] As a result of heavy rain in the central and eastern provinces, extensive damage to houses, agriculture, and different kinds of material resources has been reported. Even more painful than this is the loss of human life, which at the time of this note, had reached 12 dead with five missing.

According to reports received, more than 57,000 people were evacuated, residents of low-lying areas. Las Tunas and Guantanamo Provinces have the highest evacuation figures, with 30,598 and 12,472 respectively. Approximately 109,000 different kinds of animals were moved to more secure places, although there are still reports of losses, which are being determined and tallied.

To the present, more than 29,500 houses were partially damaged and 2,268 were completely destroyed. A total of 168 economic projects have reported some kind of damage. There was extensive damage to telephone and electric systems, railways, roads, bridges, warehouses, equipment, and agriculture.

Las Tunas Province continues to maintain its state of emergency due to heavy rain, meanwhile Guantanamo

Province has begun the recovery process. Granma Province has also begun its recovery process, with the exception of Cauto Cristo and Rio Cauto Municipalities, which continue their state of alert.

This afternoon, as a result of rising water in the Cauto River, people began to be evacuated from the neighborhoods of Jucaro and Cabezada in Rio Cauto Municipality, Granma Province. [passage omitted]

Alarcon Convenes First ANPP Sessions for 28 Jul

FL2905180193 Havana Radio Rebelde Network in Spanish 1700 GMT 29 May 93

[Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], has convened the first period of ANPP sessions for 28 July. The important meeting will begin at 1300 GMT on 28 July. The agenda of the deputies will include, among its main topics, energy conservation, the role of the energy commissions, and the operation of the people's and administration councils.

Scheduled Maintenance Produces Outages in Matanzas

FL0306183593 Havana Radio Rebelde Network in Spanish 1700 GMT 3 Jun 93

[Text] The Electric Union has advised that on 3 June, the 330-megawatt unit of the Antonio Guiteras Power Plant in Matanzas will be taken out of operation for scheduled maintenance that cannot be delayed. Since this unit has the greatest capability in the electric system, the Electric Union foresees serious outages during the six days during which they hope to complete the job.

The Electric Union exhort residents to take measures to limit energy consumption in the production and service centers, as well as in the residential sector.

Agriculture Minister on Housing, Fertilizer Production

FL0106214393 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Jun 93

[Text] The main problem which the Cuban agricultural industry faces today is instability in the work force. Agricultural Minister Carlos Perez has analyzed the causes for the problem, together with delegates at the most recent Union of Young Communist debate, in reference to the food program.

[Begin Perez recording] If we do not have the housing, we will not have the tobacco work force to mobilize. Why? Because the workers are in camps. They are waiting for the day when they will have their own house. They give their support for a time, with the hope that these houses exist and they will be built for this work.

We had a program, the country had a program with the Havana Province contingents and with the rest of the country, to build houses but this cannot be because of the influence of special period issues. [end recording]

But with respect to agricultural strategy, it is not just with regards to living conditions where we have made mistakes. We should have reviewed, for example, what we are doing to produce more fertilizers. We know that we need them. Agriculture and livestock production enterprises and cooperatives have the conditions to produce biosoil and fertilizers from biological resources but they are still not being utilized enough.

Before, a chemical product was necessary to make a type of fertilizer, and we had them, but today that is not the case. From ourselves, with our resources, we must increase this line of production, a support of current agriculture.

Roundup of Economic Activity Reported 26 May-1 Jun

FL0206183893

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 26 May and 1 June.

The Taino motor plant in Havana has manufactured 120 motors from January to date, 60 of them earmarked for KTP cane combines. The plant has also recycled 100 motors this year, most of which were used in agricultural equipment and buses. The plant is planning to manufacture 700 motors this year, 300 of which will be for cane combines and some 10 of which will be used in ships. (Radio Reloj in Spanish 1942 GMT 26 May 93)

A 100-man batallion from the Villa Clara Forestry Enterprise has begun salvaging wood from forests affected by a recent fire in Corralillo. Some 10,000 cubic meters of wood are expected to be salvaged. The 274 hectares affected by the fire, one of the largest ever to occur in Villa Clara, will be replanted with pines and casuarina trees. (Radio Reloj in Spanish 1949 GMT 26 May 93)

With the arrival of spring, Ciego de Avila Province is increasing its planting of fruits. As part of a short-term program to provide tropical fruits for the preserves industry, agricultural produce markets, and tourist installations, the province is trying to plant 30 caballerias of avocados, papayas, and guavas, and to replant mango orchards. (Radio Reloj in Spanish 1957 GMT 26 May 93)

The British "Campaign of Solidarity with Cuba" association has made a donation to Cuba equivalent to $40,800 and has asked for the lifting of the U.S. blockade. Also, 62 UK parliamentarians have urged the British Government to aid Cuba in light of the recent winter storm. (Tele Rebelde and Cuba Vision in Spanish 0000 GMT 27 May 93)

A new cellular telephone switch, the second in Cuba, will be inaugurated on 28 May in Varadero to serve international tourists. The service will allow visitors to make local and long distance calls abroad by buying or renting the pocket size phones. (Radio Progreso in Spanish 1100 GMT 27 May 93)

The Cuban Ecumenical Council has channeled to the Church of Quaker Friends in Holguin a donation of food from the National Council of Churches of Christ of the United States. A Holguin preacher officially presented to provincial government officials 99 boxes containing 2,376 cans of beef, as well as six large bags of powdered milk, which are already being distributed to hospitals and centers for the elderly in Holguin Province. Equal quantities of meat and powdered milk have also been distributed in Sancti Spiritus, Camaguey, and Santiago de Cuba Provinces. (Cuba Vision Network in Spanish 2220 GMT 27 May 29)

The ship Pinar del Rio arrived in Cuba on this date, carrying a 318-ton donation of lubricants and other products from the "Va Por Cuba" Mexican solidarity group. (Radio Rebelde in Spanish 2300 GMT 27 May 93)

This year's tobacco harvest in Sancti Spiritus Province is better than last year's by some 185,000 poles of tobacco. This is an 8-percent increase, even before final results are in. Specialists say the harvest is of high quality. Over 700 caballerias are to be planted in tobacco in Sancti Spiritus for the next season, and intense work is being done to find the necessary land, and seed to plant soon, because early planting is an important factor in a harvest's success. (Tele Rebelde and Cuba Vision in Spanish 0000 GMT 28 May 93)

The fourth ship from Puerto Real, Spain, arrived in Havana today carrying donations of aid for Cuba. The ship brought 2 trucks; 24 buses for Regla Municipality; 586 trash bins for Centro Habana, Habana Vieja, and Plaza municipalities; medicines; spare parts; tires for ambulances; and foodstuffs. A fifth ship from Puerto Real is to arrive in Cuba in July.

Cuba Vision also reports that a ship of solidarity aid has arrived in port in Santiago de Cuba. That ship brings 11,136 tons of rice donated by the Vietnamese people. (Cuba Vision Network in Spanish 2220 GMT 28 May 93)

A bicycle factory using Chinese technology will soon open in Villa Clara, joining another now operating with French technology. Union of Young Communists members working there in three shifts daily hope to produce 150,000 units per year. (Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 29 May 93)

The harvest in Villa Clara has been negatively affected by the rainfall of the last few days. Only three of the five complexes that should have been grinding were grinding on 30 May, and the amounts they ground were low. Only two continued grinding on 31 May. (Radio Reloj in Spanish 1942 GMT 31 May 93)

Over 22,500 caballerias of canefields have been weeded in Las Tunas Province to-date this year, and that this is one of the highest figures in the country. (Radio Reloj in Spanish 1944 GMT 31 May 93)

A daily bulletin by a department of the Sugar Industry Ministry has announced that over 1,700 caballerias of land are now ready to be planted in cane. Reloj adds, however, that "for the time being, the land preparation process is under par in relation to sugar planting needs." (Radio Reloj in Spanish 1954 GMT 31 May 93)

As a consequence of the rain falling over Cuba, the five agroindustrial complexes that were still active in Las Tunas Province have had to stop work. Meanwhile, in Holguin, only the Frank Pais Agroindustrial Complex was working on the morning of 31 May.

The Argentine "Ciao, Bloqueo" group for solidarity with Cuba has sent Camaguey Province a donation of five tons of, among other things, school supplies, medicines, powdered milk, cleaning tools, and articles for personal use. The donation is assessed at approximately $35,000. (Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 1 Jun 93)

Vice Minister of Agriculture Jose Gonzalez, speaking at the closing session of the first national workshop on the use of sugarcane as animal fodder, stressed the importance of using sugarcane for animal feed, especially during droughts. The workshop was held at the sugarcane research station located in Jovellanos Municipality, Matanzas Province. A similar workshop will be held next month in Las Tunas "for the remaining provinces." (Radio Reloj in Spanish 1944 GMT 1 Jun 93)

The construction of resins and essential oils plants in Pinar del Rio Province is progressing nicely. The builders intend to finish both projects in salute to 26 July. The resins plant under construction on the fertilizer factory's lands in Pinar del Rio's capital city is built to process 500 tons of resins per year. The essential oils plant is under construction in Guane municipality. (Radio Reloj in Spanish 1947 GMT 1 Jun 93)

The elevator factory of the metalworking complex Cometal plans to make 70 Cuban elevators this year and remodel another 48, to be used mainly for tourist installations. For several years now, it has been making Sol elevators, using Mexican technology and 48-percent Cuban components. From the time it began production to-date, Cometal's elevator factory has delivered a total of 427 elevators. (Radio Reloj in Spanish 1950 GMT 1 Jun 93)

Intur President Rafael Sed Perez has officially opened the 14th international tourism convention, Cuba-93, in Varadero, Matanzas. The objective of the convention is to commercialize Cuba's tourism product. Sed Perez

said over 460,000 foreign tourists visited Cuba in 1992. (Radio Reloj in Spanish 1953 GMT 1 Jun 93)

* Importance of Merchant Marine Reported

93CA0112B Havana GRANMA in Spanish 3 Apr 93 p 3

[Article by Emilio del Barrio Menendez]

[Text] The Cuban Merchant Marine, one of the revolution's finest accomplishments, has become one of the basic elements on which the country can rely to fight the double blockade, now intensified by the criminal Torricelli amendment.

Inasmuch as we are denied the use of ships for import and export, our Merchant Marine faces the challenge of demanding peak efficiency from its vessels in order to carry the maximum volume of cargo generated by Cuban foreign trade at the least expense.

We are to cross the Atlantic on the Bahia de Cardenas, a freighter 148 meters long and 22 meters wide with a deadweight of 15,800 tons, and head for our initial destination of Lisbon, Portugal, where we shall unload 14,500 tons of sugar.

The voyage is without incident, the weather and sea splendid. It is a clear day and the sailors have manned their stations. However, the truly difficult work—with little rest—is done and will be done throughout the voyage by the men working below the decks manning the engines.

The engines, the heart of the vessel, are where all energy is concentrated. They are the lifeblood of the Bahia de Cardenas or any other ship. Here, beginning its work long before the vessel puts out to sea, the crew is mindless of fatigue. The main engine, electrical plant, equipment, and auxiliary pumps are constantly undergoing repair and maintenance. Because of the enormity and importance of the task performed here, it is the subject of every conversation on board whenever one sailor meets another. We, therefore, descend several decks to the engine room.

The lower we go, the greater the intensity of what is a deafening roar from the 7,400-hp engine. The smell of metal, hot oil, rubber, and filtered air becomes intolerable in the transformed atmosphere. Pumps roar and hum, responding to the demand for electricity generated by the plants.

Despite its technical and nautical complexity, without power, the great structure of the Bahia de Cardenas would be no more than a dead giant comprised of thousands of tons of steel, cable, and mechanisms, deprived of heat, light, or ventilation. The costly navigational equipment would be useless, and we would be a ghost ship floating aimlessly at the mercy of the sea and the wind.

Mindful of this fact, the men in the engine room work tirelessly on a vessel which, because of technological bugs in its construction, is a constant headache. Every day, countless hours are put in by the officers, greasers, machinist, and his assistant, under the direction of department chief Reynaldo Morales, solving unexpected problems and warding off others. They realize full well that the economic and operational success of this, the 30th trip north by the Bahia de Cardenas, depends almost exclusively on their efficiency below deck.

* Commentary Praises Administrative Councils

93CA0112C Havana TRABAJADORES in Spanish 12 Apr 93 p 3

[Commentary by Lazaro Barredo Medina]

[Text] Many people are wondering precisely what benefits will flow to the people's government from the establishment of the administrative councils and, more importantly, what benefits will be passed on to the people.

I do not think we are facing a fait accompli. Rather, what we do have is a determination to sponsor in every territory the establishment of a strong and capable administration with true decisionmaking power in order to solve various problems.

As I see it, these councils are another far-reaching effort at rectification by the revolution that will have a noteworthy effect on administrative management, this by placing emphasis on the search for our own criteria responding to our own needs and situation on a continuing, daily basis.

We naturally do not expect any "magic" solutions based on false expectations. The material difficulties faced by our country today are very serious. However, such administrative structures will enable us to work more rationally and make better use of what resources we do have.

The councils translate into increased executive authority that will enable us to eliminate bureaucratic distortion in the operation of the people's government. This is done by simplifying structures and eliminating duplication of efforts and improper interference.

In other words, the social responsibility of all administrative officials to the country and territory will be much more consistent, resulting in turn in greater coordination and cooperation in facing problems. This will be true so long as we maintain the basic principle that the national interest must prevail over local interests, particularly when it is a matter of production or service enterprises for which any commitments made to the nation will remain sacred.

Whence the importance of having these councils comprised of persons with the greatest administrative vision in the municipalities and provinces, individuals who can contribute the most to local governments.

The councils are also a new experiment in the methods and styles of work of the people's government, which in the past has been accustomed to an executive-type government embodied in the Executive Committee. That committee eventually became an intermediary between the Assembly of Delegates and the administrations.

I believe we now have another substantial change in the people's government: The council is an administrative agency rather than a governing body.

Government is the task of the Assembly of Delegates, which delegates its authority to the chairman and deputy chairman (both of whom also preside over the administrative council), and to the chairmen of the People's Councils and working committees set up to oversee administrative work.

It will henceforth be necessary to define precisely how we can improve the entire process of being accountable, as well as the debate in the assemblies themselves. We must even give thought to whether, as part of the process of strengthening the authority of delegates, municipal assemblies should continue to meet only twice a year. These and many other issues must be taken up by the National Assembly when the Bill on the Organic Operation of the People's Government is introduced.

The entire process of improvement is unquestionably causing concern about new concepts. Already a number of members of the Assembly of Delegates are discussing the issue at special sessions held for the purpose of setting up administrative councils.

How is the administration to be held accountable? Are we to proceed on the basis of a report from an administrative directorate and the ruling of a committee?

The very essence of our democratic process is to seek greater participation by the people, not only via elections, but also by sponsoring decisive participation by our citizens in decisionmaking at all levels of society.

Using this concept as a point of departure, we are forced to ask whether or not it would be useful to propose a modification in the "liturgy" of administrative accountability, particularly when it is a matter of fundamental problems more directly related to the people in their own municipalities and having to do with trade, food, health, education, and so on.

If the committee of delegates evaluates the situation of any of these administrative directorates, why, instead of ruling on the report of the director in question, does the committee not make its own evaluation and submit it to the citizens through the people's councils and enrich it with the their own suggestions and expressions of concern? This would in turn fuel the debate of the Municipal Assembly.

As a result, instead of presenting a cold, generic report, the director or board of directors of the administrative activity in question would have to answer for the committee's evaluations, backed by the people. I wonder whether an awareness of such mobilization would not add far more to the prestige and authority of the assembly and bring the people much closer to their government. It would be a way to bring very strong pressure to bear on improvements in administrative efficiency.

This is obviously no ordinary event. A process of far-reaching importance is beginning, the process of ensuring that local government will be more dynamic and efficient, but also much closer to the people.

* Nutritional Properties of Plants Explained

93CA0112A Havana TRABAJADORES in Spanish 12 Apr 93 p 10

[Article in health section by Carmen R. Alfonso: "Leaves Are Also Nutritious"]

[Text] Not all Cubans are aware that, in terms of sheer variety, our country's flora is among the richest in the Antilles, or that 51 percent of these plants are found only in our territory, meaning they are native to Cuba.

The nutritional potential of certain wild species such as blite, purslane, and prickly pear has recently been revealed. Today we shall speak about plants whose use is limited to the root or tuber, the remainder (another source of excellent nutritional properties) being discarded.

For example, in the case of squash, not only the fruit, but the leaves, flowers, and seeds may be eaten. Leaves from the sweet potato, beet, radish, turnip, and yucca plants are also nutritious.

The archives of the Ministry of Public Health's Institute of Nutrition and Hygiene contain recipes explaining how to prepare salad from sweet potato leaves, nougat from squash seeds, leaf soup with rice, stew using yucca leaves, and so on.

The nutrients supplied by 100 grams of the plants in question when eaten raw are: turnip leaves, 393 micrograms of vitamin A (equivalent to retinol), 135 milligrams of calcium, 3 grams of protein, and 4.6 milligrams of iron. Squash seeds contain: 32 grams of protein, 50 milligrams of calcium, 11.6 milligrams of iron, and 24 micrograms of vitamin A.

Yucca and beet leaves supply more vitamin A: 532 and 525 micrograms respectively. The leaves richest in calcium are from blite, radishes, and yucca, which supply 296, 238, and 225 milligrams for every 100 grams consumed.

It should be noted that these leaves may be mixed with mashed tubers or beans, in dishes of dried vegetables, soups, and creams. They may be combined with rice, meat, eggs, or fish, used in fritters, sauted in oil, or combined with other condiments.

Whenever leaves are used, they should be green and tender. They must be washed well and cooked al dente. Raw salads should be prepared just before eating. When leaves are cooked, they are eaten as soon as they are drained, meaning while still hot.

* FAR Members Participate in Tomato Harvest

93CA0112D Havana BOHEMIA in Spanish No 15, 9 Apr 93 pp 41-42

[Article by Pedro Prada]

[Text] It is driving rain. The freezing barrage of water penetrates to the bone and it is impossible to see more than 20 meters ahead. As they slog through the mud, the more seasoned workers—or perhaps those most tired—begin to pull off their boots. No one bothers them or goads them on, there are no threats or any uncertainty about whether or not they will eat later, but they stick it out.

The pouring rain bends plants already weighted down to the ground by ripened tomatoes. Some are even under water, and one has to walk carefully because when this chocolate-colored soggy mess rises above the ankles and almost reaches the knee, it brings up every single thing underneath.

There are no tractors, not only because there have been breaks in the supply of fuel, but also because, under such conditions, the rows have been wiped out by the rain.

Only workers walking on their own two feet can venture in 40, 75, 130, 368, or 700 meters, baskets slung over their shoulders. The wet wood is heavy, the ripened fruit heavy, and getting through the mud and downpour is backbreaking.

This is no scene out of Macondo. It actually happened. It is how people actually worked in the Pinar del Rio tomato harvest in the winter of 1993. The damage done to tomatoes by inclement weather is expressed in cold figures: Of the estimated 1 million quintals plus that were expected to be picked in Vueltabajo, a bare 400,000 reached people's homes and industry.

Of that total, nearly 250,000 quintals were harvested by the Revolutionary Armed Forces (FAR) "40th Anniversary of the Attack on the Moncada Barracks" unit, which exceeded by 270 percent quotas assigned based on the average wage of a farm worker.

Rallying a labor force of over 6,000 men and women who, despite poor agricultural yields, averaged over two and sometimes as much as three times the usual amount of tomatoes harvested a day, is a serious challenge. Participants, soldiers, and civilian workers from units, centers, and enterprises in the country's western region equaled the Los Palacios agroindustrial complex.

Together with the soldiers, they comprised an excellent Pinar del Rio force that helped destroy all traditional records and goals, which some claim had been set low for the special period.

In addition to harvesting the prized form of produce, the work force also helped cultivate 190 caballerias of tomatoes, doing the work of thinning, dredging, weeding, fertilizing, and hoeing, not to mention the planting and the transplanting of 38,960,513 shoots.

They also handled 204 rows of beans (with 822 hours overtime devoted to piling up the harvest), 1,425 rows of potatoes dug (3,900 weeded), gathered 3,000 quintals of sweet potatoes, and cut 2.5 million reed stakes.

In addition, they spent 12,597 hours packing 1,800 quintals of rice and fertilizers and helped weed, cover, clean yards, and sort tomatoes.

It may not look like much compared with the unmet needs of the canning industry and the people, or even promises made for this year by the well-tended fields of CAI Los Palacios. However, in terms of financial figures alone, they contributed 2,700,734 pesos to the country's defense in terms of wages.

One has to ask what Pinar del Rio residents think of the entire operation. For Pedro Miranda, a veteran of 16 years of work at Los Palacios, what struck him the most about the FAR mobilization was the discipline and good use made of time spent in the fields.

For Fidel Ramos, first party secretary in the province, success lies in the human quality of the work force, the individual attitudes of the workers, and the interrelationships between officers, soldiers, and civilian workers. Soldiers worked alongside superior officers, school administrators and teachers alongside students, and generals shared the jobs of enlisted men. Ramos was struck by the attitude of trade union leaders, starting with the national secretariat, who did not leave their members alone in the furrows.

Faithful to a perfectionist ethic, those mobilized view things from a different angle. Brigadier General Ramon Valle Lazo, head of the unit, notes that the CAI and its five farms created minimum harvesting conditions, and that the rest was a matter of pride. This was so even though time was in fact wasted, sometimes due to a lack of plants and crates or because of the water level in the channels, sometimes because of a need to travel great distances or due to breakdowns or even the as yet imperfect organization of systems of collection and transport.

If these problems are solved, Valle Lazo is confident that nothing can stand in the way of even higher levels of productivity.

We must think ahead to how it will be when the FAR unit returns in December for the fourth time. Come what may, Pinar del Rio residents must guarantee better yields

of tubers and produce, improvements in shelter, bathrooms, and food. They will plant new trees at camps, improve sanitation, and use more draft animals.

In the meantime, there can be no rest at Los Palacios. The exemplifying Macondian image of young people in wet clothes for weeks, buffeted by the southern winds and plagued by swarms of mosquitos that forced them to work wrapped in handkerchiefs, blankets, or towels, hovers over the fields.

Mother nature, which abandoned them, will be forced to pay heed to them this time because such a monumental effort to supply the tables in our capital and Pinar del Rio deserve a hymn of praise. Let us hope it rains tomatoes!

Forces Making Up the "40th Anniversary of the Attack on Moncada Barracks" Unit

The following are the forces making up the unit: Cadets from the Major Camilo Cienfuegos Artillery School, the General Antonio Maceo Inter-Armed Forces Cadet School, the Jose Marti Military Technical Institute, the Dr. Luis Diaz Soto Advanced Institute of Military Medicine, the Special Forces School, the Major Arides Estevez Military School, the Granma Naval Academy, the General Maximo Gomez FAR Academy, the Camilo Cienfuegos Military School in Pinar del Rio, the Cotorro Military School, the Capdevila Military School, the Arroyo Arenas Military School, the Guanabacoa Military School, the National Trade Union of Civilian Workers for the Revolutionary Armed Forces (SNTC-FAR), and units from the Ministry of Armed Forces General Staff, military industrial and construction enterprises, and the Institutes of Hydrography, Geodesy, Cartography, and others.

Haiti

European Delegation Denounces Lack of Development

FL0306215193 Port-au-Prince Radio Metropole in French 1600 GMT 3 Jun 93

[Excerpts] Laymen from the European Justice and Peace Commission spent eight days in Haiti. During a meeting with the media on 2 June, they expressed great concern about the Haitian situation. They criticized the attitude of the Catholic Church in failing to condemn the 30 September 1991 coup d'etat. They also criticized the position of the Holy See on the Haitian crisis. Edner Jean reports:

[Begin recording] [Jean] I saw the suffering of my people and I am sending you to relieve them: the word of God, repeated by the delegation from the Justice and Peace Commission of the European Bishops Conference. For eight days, they toured the country and claim to have seen suffering, intimidation, and repression at all levels in Haiti. If this injustice, abuse of power, and systematic repression is not new in the country, comment the missionaries, it has become more obvious since the 30 September coup-d'etat.

The report the delegation will present to the European Bishops Conference emphasizes the Haitian people's vehement desire to see constitutional order reestablished through the return of the elected president and the submission of all institutions, including the Army, to legitimate, civilian authorities. While awaiting the fulfillment of those perhaps pious wishes, the European Justice and Peace Commission delegation presented a disastrous image of our economy.

[Unidentified speaker] We observed from witnesses in several regions that the Haitian population has had increasing difficulty in surviving since the imposition of the embargo. It has been subjected to a considerable increase in prices, particularly for basic goods. It seems that in some regions there is the beginning of famine, at least malnutrition. Furthermore, we see that there is no real political effort to change the economic development, particularly in agriculture, and no action to develop rural areas. On the contrary, for example, reforestation groups in the North West are afraid to meet, fearing repression, despite the population drain and the frightening erosion. There is indeed a blockade on the economic development of the country, because of the current situation. [end recording]

[Jean] In speaking with the international community, the Justice and Peace Commission hopes for the development of solidarity with the Haitian people for justice and economic cooperation. They suggest the creation of a fund for the victims of human rights violations.

They pointed out that many Christians they met confessed to feeling that the church hierarchy no longer supported them. What the Conference of Haitian Bishops has saying since September 1991 has not been taken by the people as a condemnation of the coup d'etat, explain the European Justice and Peace Commission. The delegation, mandated by the highest institutions of the Catholic Church in Europe, also intends to present the conclusions in this report to the Holy See in order to prompt Pope John Paul II to revise his policy strongly favoring the current authorities in Port-au-Prince. [passage omitted].

The delegation from the European Justice and Peace Commission, consisting of 10 missionaries from Germany, Great Britain, Austria, Belgium, Spain, France, the Netherlands, and Switzerland, left Port-au-Prince on 3 June after a week's visit in the country. [end recording]

Aristide Party Refuses To Participate in National Meeting

FL0206213493 Port-au-Prince Signal FM Radio in French 1030 GMT 2 Jun 93

[Text] The National Front for Change and Democracy, FNCD, will not participate in the national conference

convened by Prime Minister Marc Bazin. FNCD spokesman, Senator Turneb Delpe, lists the reasons that led to this refusal.

[Begin Delpe recording, in Creole] According to our analysis, one of the political maneuvers that hides behind this action is to provoke the FNCD, which is defending the Constitution, the return to constitutional order, and the principle of the respect of the 16 December 1990 and 20 January 1991 elections [word indistinct] and to invoke our support to the illegal actions being committed by the de facto government from the establishing of mock assemblies in territorial communities to the mock electoral council and the electoral masquerade of 18 January and the resulting alien body that entered the parliament in both the Chamber of Deputies and the Senate. We say we will never give our backing to those things. To participate in such a conference would mean to support those things. It is out of the question for us to lend our support and sit with alien bodies in the parliament.

The second reason is that we say it is out of the question that after 20 months of delaying tactics meetings should be held to challenge....[pauses] or to challenge the principle of the return of President Aristide. We also believe that there have already been too many delaying maneuvers. Too much repression, too much blood has been shed, too many thefts, all kind of plunderings, assassinations, disappearances have happened in this country. I can tell you that these people, who are unarmed, have suffered too much on behalf of democracy. While asking for the respect of their vote which they expressed on 16 December 1990 and 20 January 1991, they cannot undergo all those things, they cannot tolerate that today some conference challenges that.

Third, we are wondering how a prime minister, who has been dismissed by the parliament, by the Senate, can convene such a conference. These are the three main reasons behind the FNCD refusal. [end recording]

The parliamentarians have not received an official invitation from the government for the convening of this national conference by Prime Minister Marc Bazin. The opinion is shared on this matter at the parliament. Mobilization for National Development Deputy Deus Jean-Francois will participate only if the Haitian Government accepts to participate and has itself represented in a conventional manner.

Groups Disagree on Constitutional Article 149

FL0306203193 Port-au-Prince Signal FM Radio in French 1030 GMT 3 Jun 93

[Excerpts] Is Article 149 of the Constitution an alternative to the crisis? This question has been discussed in political circles for some weeks. According to the Socialist Bloc in the parliament, invoking Article 149 is a hard-line solution. The hard-liners of the Alliance for Parliamentary Cohesion [ACP] are said to be ready to dismiss the Villa d'Accueil government. The people's organizations, however, reject this idea and cling to the return of President Aristide. Let us listen to [reporter] GB:

[Begin recording] [GB, in Creole] After the failure of Caputo's sixth mission, the tendency in Haitian political circles is to invoke Article 149 of the Constitution to resolve the crisis. According to this article, power should be handed over to the president of the Court of Cassation, Justice Emile Jonassaint. This idea is making its way through the Senate branch currently led by the ACP bloc. This matter, however, has divided the Chamber of Deputies into factions. ACP hard-liners support this alternative and have even agreed to dismiss Prime Minister Marc Bazin at the opening of the parliamentary session on the second Monday of June.

The Socialist Bloc, the legitimate offspring of the Nationalistic and Progressive Revolutionary Party of Haiti [PANPRA], an important member of the consensus [government], thinks the invocation of Article 149 will add fuel to the flames, reinforcing the divisions that already exist. Here are the words of PANPRA Deputy Yves Pericles Beauge:

[Beauge, in Creole] Up to now, this has not been our line. We have not conceived that. We do not say it is impossible. As we said recently, it is one way to return to democratic order. However, I do not think we have reached the moment when we should go to this phase, because, we believe, it will radicalize the situation in Haiti.

[GB] The Mobilization for National Development [MDN] agrees to partial invocation of Article 149, that is, the return of Nerette as president and holding presidential elections within 24 months. This idea is supported by [MDN] Deputy Deus Jean-Francois:

[Jean-Francois, in Creole] I think it will be difficult in the current climate to apply Article 149 strictly, appointing Jonassaint [president] and [holding] elections within 90 days at most.

[GB] In the opinion of various people's organizations, invoking Article 149 is out of the question. The National Organization for the Development of Haiti, ONDA, categorically rejects Article 149 because, according to the president of the organization, the people want no solution other than the return of President Aristide, who won the 16 December 1990 elections hands down. [passage omitted]

It should be recalled that after the 30 September coup d'etat the parliament invoked Article 149 of the Constitution to no avail. [end recording]

Parliamentarians Express Views on Military Reform

FL0206161693 Port-au-Prince Signal FM Radio in French 1030 GMT 2 Jun 93

[Italicized passages in Creole]

[Excerpts] The idea of deploying a multinational police force to Haiti has evoked numerous protests in parliamentary circles. In a 26 April editorial, the WASHINGTON POST said the final solution to the Haitian conflict lies in sending more UN and OAS observers, followed by multinational military for the training of the Haitian Armed Forces [FADH], which is incapable of distinguishing between repression and observance of the law.

Deputy Laveaux Jean-Baptiste disputes the validity of this initiative supported by the constitutional president of the country. Jean-Baptiste condemns the plan for reducing the Haitian Army to 1,000 soldiers as requested by Father Aristide in his 7 May letter to UN Secretary General Butrus Butrus Ghali. According to the vice president of the lower chamber's socialist group, this statement is a mistake, likely to irritate the military. Laveaux advocates Army reform, but in the Haitian style.

[Laveaux] *[words indistinct] If one wishes to reduce the strength of the Haitian Army as president [words indistinct], but I do not believe one should be making arrogant statements about seeking military intervention to do it. I think that can be done within a global agreement with the country's rulers, or with the politicians, especially Parliament. [passage omitted]*

The socialist deputy, in criticizing the mixed stance of the star-studded republic, says that if the U.S. Government wanted to reform the FADH, it would do it. He considers the U.S. position a delay tactic.

[Laveaux] *The Haitian Army is never at odds with the U.S. Government. [passage omitted] The relations have remained good until now. If the Americans or the United States wanted a reform to be made within the Army, they would just say so and it would be done. I believe that anytime anything needs to be done, they just do it. Even when one is moving or coups d'etat are being staged, they are not done without the approval of the U.S. Government.*

National Front for Change and Democracy [FNCD] Deputy Patrick Norzeus, on the other hand, supports Jean-Bertrand Aristide's plan, protesting that the Haitian people are fed up with the current Army. It is not only from within the Army that a citizen can serve his country, says Norzeus, but also on social issues, among others.

[Norzeus] *I do not see why the Army, the soldiers, should be worried. On the contrary, the president—as we say in the statement, in a portion of the statement—is studying a method of integrating today's soldier—in a global context—into the country's organization. By global context, I mean that methods are being studied for integrating the individual soldier, who can exercise any function, into the country's total organization. [passage omitted]*

International mediator Dante Caputo's sixth mission to Port-au- Prince resulted in failure because the de facto authorities and the political class refused to allow an international training police force into Haiti. [passage omitted]

Mayor-Elect Paul Seeks Collective Action To Save Country

FL0106222393 Port-au-Prince Signal FM Radio in French 1030 GMT 1 Jun 93

[Text] The country is living through a period of general degradation and the people can no longer stand such a situation. This is a statement by Port-au-Prince Mayor-Elect Evans Paul, who is a member of the presidential commission working for President Aristide's return to power. According to Paul, the international community will have to put their cards on the table. It is unthinkable that the entire world should show the white flag in front of a small group of Haitian putschists who illegally retain power.

Paul calls on the various sectors concerned in the crisis to collectively become aware of the social degradation in the country. Misery, unemployment, and repression are (?among others) ravages engendered by the coup. There must then be a collective action to save the country. Paul concludes that the situation cannot last any longer.

It should be recalled that the coordinator of the 10th Department [Haitian diaspora], Father Gerard Jean-Juste, denounced the irresponsible behavior in negotiating by the presidential commission appointed by Father Aristide. This commission was accused of having abandoned the people in their struggle for the return of democracy. During a news conference, Father Jean-Juste called on the politicians favorable to Father Aristide to assume their responsibilities.

Foreign Secretary Reviews Relations With Guatemala

PA0306211393 Mexico City NOTIMEX in Spanish 1915 GMT 3 Jun 93

[Text] Washington, 3 Jun (NOTIMEX)—Mexican Foreign Secretary Fernando Solana stated here on 3 June that as long as there is instability in Guatemala, that country's relationship with Mexico cannot remain on the same level as before.

"Bilateral relations with Mexico cannot remain on the same level as in previous months as long as democratic order is not restored in Guatemala," the Mexican foreign secretary said.

Within the framework of the special OAS meeting to analyze the situation in Guatemala, the Mexican diplomat stated that Guatemalans must exercise their sovereignty and restore their own democratic system.

Solana said Mexico opposes the exclusion or suspension of any OAS member-country immersed in a crisis.

"The organization is ours, for all of us; it is a forum that must remain open and maintain its universal status," the foreign secretary stated.

He proposed on behalf of Mexico to keep the meeting open until democratic order is restored in Guatemala. He suggested that the commission—which recently visited the Central American country—return to ascertain the progress achieved by the current process.

Solana scored those who obstruct the dialogue and said they must return to democratic channels, adding they will soon realize this is no longer the time for authoritarianism in Latin America.

He said 100,000 Guatemalans have died in 30 years as a result of internal conflicts, which also resulted in thousands of displaced persons and refugees.

Finance Secretary Comments on Central Bank Autonomy

PA2805185293 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 May 93

[Text] Speaking for the Chamber of Deputies' government and finance commissions, Mexican Finance Secretary Pedro Azpe Armella said the Bank of Mexico's autonomy will make it possible to guarantee the economic program's reliability, accuracy, and forthrightness, and to strengthen social initiatives. He added that with this step, proposed by the Executive Branch, it will be possible to attain the national project's basic objective: balance and steady growth with a permanent method of stabilizing the currency's purchasing power.

[Begin Azpe Armella recording] An autonomous central bank would make it possible to have an institution committed to price stability and to protect future generations against the harm that inflation inflicts on basic social structures. [end recording]

Azpe Armella said the autonomous central bank would be part of the new Mexican state. He said the modern state represented by the current government is the fairest and most efficient, not the biggest.

[Begin Azpe Armella recording] This bank would not impose conditions on society, but will guarantee reliability, accuracy, and forthrightness. This is state reform. [end recording]

Previously he had commented on the economic and financial progress that makes it possible to propose the Bank of Mexico's autonomy. Inflation was reduced to 11.9 percent in 1992. The fiscal deficit was overcome and a surplus equivalent to 0.5 percent of gross national product was earned last year. This surplus is expected to reach 1.7 percent this year. The maximum income tax rate was reduced to 35 percent. The economic growth rate is higher than the population growth rate. Azpe Armella explained the bases of the president's proposal.

1. The bank would be free to determine the amount and management of its own loans. No authority can order the central bank to grant loans.
2. The mandate of those individuals charged with managing the bank would be protected.
3. The bank would be fully independent in complying with administrative regulations.

Costa Rica

Calderon Cited on Presidential Meeting, Guatemala

PA0306162393 San Jose Radio Reloj in Spanish 0100 GMT 3 Jun 93

[Text] President Rafael Angel Calderon Fournier has returned with great hopes for a return to institutionality in Guatemala in the next few hours. Calderon, along with the Salvadoran, Honduran, and Nicaraguan presidents, participated in intensive negotiations with representatives from the Guatemalan Government, Army, and private enterprise. He said the results are satisfactory and it is hoped that a final solution will be found soon.

The Guatemalan Constitution stipulates that the country should return to constitutionality within 120 hours after President Jorge Serrano Elias' resignation.

The Guatemalan Congress must appoint the president's successor based on a resolution issued by the Constitutional Court to normalize the situation in that Central American nation.

Calderon Fournier said the presidents who participated in the meetings, which continued until the early hours of 2 June in San Salvador, are convinced they helped Guatemala find its path to constitutionality. President Calderon noted that the various Guatemalan sectors are committed to helping their country return to constitutionality so the competent government institutions can assume their functions.

Calderon Fournier said guarantees and protection have been requested for former President Serrano Elias and his family, who fled Guatemala and are currently safe in an undisclosed country. It is known that Serrano Elias traveled to El Salvador and that he plans to live in the United States, although all Central American countries have offered him asylum.

President Calderon stressed that President Serrano Elias did everything in his power to reach political agreements within the Guatemalan Constitution in order to restore constitutional order. Calderon said that as such a resolution was not possible, Guatemalans must now make their own decisions because the presidents who met in San Salvador cannot intervene. He added: The sole purpose of the presidential meeting in San Salvador was to facilitate a return to constitutionality and to guarantee the security of Serrano Elias and his family.

Calderon Fournier said the Guatemalan Army assumed a positive attitude of respect for the Guatemalan Constitution and laws. He added that the Army has been protecting Guatemalan laws and institutionality and that he hopes the same attitude maintained until the early hours of 2 June will prevail. He said he is confident that institutionality will return to that Central American country in a few hours, as all sectors are committed to respect for the law.

El Salvador

Serrano Leaves Hotel After Bomb Threat

PA0406021093 Guatemala City Cadena de Emisoras Unidas Network in Spanish 0127 GMT 4 Jun 93

[Text] San Salvador—Former Guatemalan President Jorge Serrano had to leave his San Salvador hotel on 3 June after a bomb threat, hotel sources reported. According to a local radio station, hotel employees, and authorities, Serrano had to leave in a hurry with his family after he received anonymous threats. It has also been reported that experts inspected the building's surroundings and interior but found nothing. A hotel telephone operator confirmed that an anonymous caller said a bomb would explode in 10 minutes. The former president left at 1530 [2130 GMT], but this does not mean he will not return or that if he fails to return it is because of a bomb threat, the operator added. It was also said that this is not the first, and surely will not be the last, threat against the hotel whenever personalities are staying there. Other hotel employees said they heard nothing of the incident but reported that the number of guards on duty at the hotel after Serrano arrived on 2 June was increased this afternoon.

Secretary Denies 3 Jun Serrano Visit to U.S.

PA0306204993 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 3 Jun 93

[Interview with Guillermo Gonzalez, former Guatemalan President Jorge Serrano's private affairs secretary, by Nery Mabel Reyes in San Salvador on 3 June—recorded]

[Text] [Reyes] Guatemalan President Jorge Serrano Elias has been staying in Salvadoran territory; however, reports have surfaced that he might travel to the United States on the afternoon of 3 June. This [words indistinct] the attention of the national and international community.

Let us talk to Guillermo Gonzalez, Serrano's private secretary, and ask him about Serrano's stay and possible departure for the United States. Is is true that Serrano is leaving the country on 3 June?

[Gonzalez] I can assure you that President Serrano will remain here in El Salvador until a future, as yet undisclosed, date, which we will disclose in due time. It is absolutely untrue that he will leave El Salvador on 3 June. You can rest assured that President Serrano will remain in San Salvador.

[Reyes] Have you contacted government officials during your stay here? We understand you are not here as

political refugees but as regular Central American citizens visiting the country, as Presidential Communications Secretary Ernesto Altschul said on 2 June. Have you made contact with government officials? Are you hoping for future contact? Will you handle your affairs here privately?

[Gonzalez] President Serrano contacted President Cristiani as a friend. President Serrano said on 2 June that he was thankful for the hospitality of the Salvadoran people and the Central American presidents. He has only asked to remain in the country as any other citizen. President Serrano will decide later if he wants to request any other kind of protection here in El Salvador. For now, we are Guatemalan citizens spending a few days in El Salvador. We hope to be able to return to Guatemala soon.

[Reyes] International wire reports received in our newsroom say that Serrano's family could already be in a country other than El Salvador. Is that true or false?

[Gonzalez] It is false. The president's family is with him; his wife and children are here. Everything is very calm here, thank God. It is absolutely false that they are somewhere else.

[Reyes] We want to thank Mr. Gonzalez for his statements on former Guatemalan President Jorge Serrano Elias' stay in Salvadoran territory. The presidential secretary denied that Serrano will leave Salvadoran territory on 3 June, as some media had reported.

Guatemala

'Government' Communique Declares Espina President

PA0306204693 Guatemala City Radio and Television Networks in Spanish 1940 GMT 3 Jun 93

["Communique issued by the Guatemalan Government" in Guatemala City on 3 June—read by announcer]

[Text] In the face of the unquestionable legal argument that constitutional legitimacy can be maintained in cases where the president resigns only by summoning and swearing in the vice president as president, we have the following constitutional measures:

1. Article 189 of the Constitution categorically states the following: Article 189. Temporary or permanent absence of the president. In case of the temporary or permanent absence of the president, he is to be replaced by the vice president. If this were a permanent absence, the vice president [words indistinct] the end of the presidential period. This means constitutional order can be maintained solely, when the constitutional president is absent, if the vice president is sworn in as president. Any other procedure is simply a violation of the Constitution.

2. How does the vice president become president? This procedure is precisely regulated by Article 165, which reads verbatim: Article 165. Duties: The Congress has the duty of: A, B, C, D, [as heard] to swear in the vice president in the case of a temporary of permanent absence by the president.

3. Article 190. Vice president. The vice president will perform the duties of president in the cases and manners established by the Constitution.

Therefore, by virtue of the constitutional provisions, the new president is Gustavo Adolfo Espina.

Congress Board Secretary's Issues Appeal

PA0306230193 Guatemala City Cadena de Emisoras Unidas in Spanish 2106 GMT 3 Jun 93

[Statement by Eduardo Matute, fifth secretary of the Congress Board of Directors, in Guatemala City—live]

[Text] I want to issue an appeal to all the political party leaders and urge them to reflect, particularly all the deputies who represent the country's political class. We must uphold the country's democratic system at this moment. Guatemalan people have paid dearly for many years to establish this democratic system. There have been too many deaths; there have been true heroes who fought to defend this democracy. We must set aside all selfish interests and we must set aside all personal interests so the country may strive to attain a single goal.

Now is the time to save the homeland; that is why we must fight for the people, with the people. Each minute that goes by is filled with great uncertainty. We have come to the point where a revolution may occur because what we currently have is lack of credibility among the state's institutions—including the Army, the Executive Branch, the Legislative Branch, the Judicial Branch, the political parties, etc.

If we try to destroy the institutions, we will have anarchy. We must (?enforce) the laws and Constitution. Institutions cannot be destroyed by accusations concerning their acts of corruption. Therein lies the danger and we, the deputies of the Congress of the republic, the highest representative of the Guatemalan people, now must play an important role and decide the country's destiny and prevent an armed conflict—which may happen.

We have seen the demonstrations that have been staged every day and in different places to protest against the country's institutions. The Congress of the republic, through its deputies, must truly orient the people based on the political Constitution of the Republic of Guatemala. The state of law must prevail and the deputies must play a leading role in the adoption of decisions at the Congress of the republic.

We have sworn to uphold the Constitution and we now must prove we are true patriots and worthy representatives of the people. The negotiations must not be carried out in different places and only between certain political

groups. They must truly be held at the appropriate place, meaning the Congress of the republic, because that is where it should be done.

The homeland comes first and the Guatemalan people should emerge as the winners. We cannot allow vengeful attitudes and we must not take advantage of the uncertain situation that currently prevails. How is it possible that constitutional order was restored on 1 June in the country, yet the deputies have failed to show up at the Congress of the republic? What is happening? How is it possible that we have not been summoned to sessions? How is it possible that all the deputies failed to arrive at Congress on 2 June, when we should have played such a decisive role, although we were summoned to a special session?

Many times we have been summoned to the Congress of the republic to hold special sessions at 0900, yet the sessions begin at 1400 when the deputies arrive or when there is a quorum. We could have been here until 1600 on 2 June, even though it is true a demonstration was under way and the deputies lives' were in danger. We realized the Congress of the republic is highly vulnerable and those of us who were here were afraid. All the deputies must demand that the Board of Directors, particularly its chairman, immediately issue a summons for sessions at Congress. It must immediately issue a summons for a Board of Directors meeting to start the sessions and enable us to discuss national problems.

The deputies should not resort to insubordination because we now must play a leading role for the people. They are waiting throughout the republic and in every department. An atmosphere of uncertainty prevails. The crisis is centered mainly in the capital, but people who live in the departments demand immediate solutions because we are their representatives—constitutionally elected—and that is the price of democracy.

Consequently, I tell the deputies that I believe the first measure we must adopt and assume is to swear in Mr. Gustavo Espina Salguero as constitutional president of the republic. He currently has assumed the role of acting president because he is the vice president of the republic. There is no power vacuum in the Executive Branch right now. Former President Jorge Serrano has left, and although he has stated he did not tender his resignation, he has abandoned the post. According to the political Constitution of the Republic of Guatemala, the vice president of the Republic now must assume the role of president.

The second step is this: Once we have a president—[pauses] this is the most important thing for Congress—once Vice President Espina is sworn in we will have a president. Given the lack of a vice president, the president of the Republic then must send a list of candidates based on legal procedures established by the political Constitution of the Republic of Guatemala. Congress then will elect the vice president of the Republic.

Third: As we have known and as the Guatemalan people have known, the Attorney General's Office has stated it will file several lawsuits against the president, but given that he has the right to a preliminary hearing, the Congress of the Republic must analyze the cases immediately to make sure they abide by the Constitution. Consequently, the Board of Directors will analyze the cases and present a report to the Congress plenum, which will decide whether or not the preliminary hearings should be held. This is the only legal option; it is the most correct way to enforce constitutional order, and this must be done immediately.

All the deputies have a responsibility because we have sworn to uphold the political Constitution of the Republic of Guatemala. We must orient the people using legal mechanisms and based on the state of law. That is the way the deputies should work, particularly their leaders, who must orient the people so we may truly have the homeland we all want. We must struggle for our development.

We are experiencing a crisis that could lead to anarchy, which in turn would lead to a revolution. The only loser would be our own people. Too much blood would be shed and all Guatemalans would regret the turn of events. It is true there is corruption. I wish to refer to the Congress. There is corruption in all congresses throughout the world. I visited the United States in 1991, when corruption was being discussed. It was said they issued bad checks. In Italy, a female deputy appears in public showing her breasts and the deputies shout at and do other things to one another, yet they preserve constitutional law and order. Ministers have been removed when they stepped outside the law. In Japan and Ecuador, deputies wage pitched battles in the Assemblies, but because what the people demand is the fulfillment of the law, these men continue to be deputies according to the constitutions of their respective countries.

We cannot say all of the people's representatives are corrupt. The price of democracy is the true representation of the people. This is why political parties play their best cards in the elections. And here are their representatives. The fact that there are four, five, or 10 corrupt people in the institution should not make all of us deputies pay the price of corruption. It has been said that all the deputies should resign. Will the next ones be any better? Are the new ones justified in replacing us to improve the system? This is not the way to amend the system. The proper way to do it is by establishing law and the Constitution. This is how we deputies should act. And this is why I am inviting you to the Congress, so we can play a leading role. It is here where we should fight for Guatemala's interests. We disagree with the rumored purpose of cutting off heads Legal procedures exist, so if any person has committed a crime he can be prosecuted.

I wish to ask a great favor: I wish to take this opportunity to invite Rigoberta Menchu, our Nobel Peace Prize winner, to reconsider. She is the topmost representative

of peace in the world. Consequently, she should not call for anarchy and insubordination. As a leader of peace, she should invite all institutions and the country's active forces to abide by the law, instead of creating anarchy and a confrontation that the Guatemalan Army has been shunning.

The Guatemalan Army must enforce the Constitution. I am convinced the Army is reluctant to go out onto the streets to confront the people because all the soldiers are also people who want a solution. I do not think business and political sectors wish to destroy this nation. The Army must do its duty by defending the Constitution. Let us not provoke the Army and create the climate for a coup d'etat.

This is why Menchu must play a leading role, as representative of peace in the world. As a Guatemalan citizen, she must call for concord so we Guatemalans can forge ahead. If the institutions have lost credibility, they must appeal to their civic and moral awareness, and like the Catholics, who repent and make penitence, repent and restore law in the country.

Speaking of corruption, who are the corrupters? Those who give the bribe or those who receive it? When it is said that businessmen sometimes knock at the door of the barracks and bribe the deputies as false patriots, it is because the institutions have lost prestige, but we cannot criticize those institutions. We cannot say all of the representatives are corrupt and let their prestige be tarnished. No, gentlemen. We should not fall for this and cut off the heads of all of the representatives. We must abide by the law.

I hereby invite all the Guatemalan people to remain calm. In particular, I am calling on political representatives and deputies to play a leading role as patriots.

Progress of Consensus Coalition Plans Revealed

PA0406011293 Guatemala City Teleonce Television in Spanish 1845 GMT 3 Jun 93

[Text] The Consensus Coalition is working to purge Congress.

In order to promote the Guatemalan people's unity, enable the civilian sector to find its own solution to the crisis, allow the Army to maintain a proper role within the constitutional process and to comply with the commitments acquired in this historic effort to return to constitutionality, the Consensus Coalition announced on the evening of 2 June the agreements reached to purge the National Congress.

The Consensus Coalition is composed of the organized business sector; the most representative political parties, the Guatemalan Republican Front, the National Vanguard Party, the Guatemalan Christian Democracy, the Democratic Socialist Party, and the Union of National Center; and labor organizations, the General Confederation of Guatemalan Workers, the Guatemalan Confederation for Trade Union Unity, and the Federation of Bank and Insurance Employees.

The coalition members revealed the progress made in the reform of congressional rules and procedures on the reduction of deputies' salaries, the correction of pretrial procedures to make them quick and positive, and the methodology to return the country's normal institutions.

Other important aspects of the agreement deal with procedures to control state branches and the budget.

In the framework of dialogue and agreements, the political parties have made progress in their historic commitment to the Guatemalan people to bring the Constitutionality Court and the Army back to normal as guarantors of the process to return to democratic institutions.

This is one important point of agreement that indicates the various sectors have similar objectives. This leads one to believe that there will be a final consensus.

The coalition has announced that it will continue working on the process to return to democratic institutions.

Human Rights Ombudsman Rejects Espina's Claim to Presidency

PA0306172293 Paris AFP in Spanish 1609 GMT 3 Jun 93

[Text] Guatemala City, 3 Jun (AFP)—Human Rights Ombudsman Ramiro de Leon Carpio predicted on 3 June that there could be a "social explosion" if the "power vacuum" in Guatemala is not resolved. Guatemala has been immersed in a profound political crisis for the past 10 days.

De Leon Carpio spoke to AFP and voiced his "rejection" of Vice President Gustavo Espina's decision to proclaim himself acting president in President Jorge Serrano's absence.

The president left the country on 2 June following a movement headed by the military, politicians, and influential businessmen to oust him. Serrano sought refuge in El Salvador, where he was welcomed as a "guest."

Although the nation's Constitution states that the vice president will replace the president in the latter's temporary or permanent absence, the ombudsman disagreed with that solution because "Serrano and Espina drove us into the legal abyss we are now in."

De Leon also criticized the "ambivalence" of National Defense Minister General Jose Domingo Garcia and the Army, who De Leon says are being "cast in a bad light" and suffering an "unnecessary weakening."

Gen. Garcia and the Constitutionality Court justices headed a public ceremony on 1 June during which they

announced that Guatemala was returning to constitutional order, which Serrano had broken seven days ago by dissolving Congress and the country's top courts and suspending civil rights.

On that day Garcia supported Serrano's ouster, announced Espina's alleged resignation, and accepted the reinstatement of the Congress under the condition that it would be purged. In a pact with civilian sectors, he also agreed that Congress would name the new president.

The military chief, however, went to Espina's residence on 2 June and offered to defend and support the new and self-proclaimed president. De Leon Carpio said Gen. Garcia must "explain" his confusing attitude.

The ombudsman did not rule out the possibility of leading future demonstrations against the "political maneuvering" taking place in Guatemala, but added that he would do it "with calm and moderation" to avoid violent clashes and more bloodshed in the country.

He also asked all sectors of civilian society to find a rational solution to the institutional crisis.

Defense Minister Says Army Supports Espina

PA0406013093 Guatemala City Teleonce Television in Spanish 1845 GMT 3 Jun 93

[Text] Defense Minister General Jose Domingo Garcia Samayoa was criticized last evening by Human Rights Ombudsman Ramiro de Leon Carpio, who claims Gen. Garcia said [Vice President Gustavo] Espina Salguero had resigned. The defense minister explained his statements.

[Begin recording] [Garcia] I think this situation is being manipulated, so I honestly explained it on 2 June. I said that when I presented the resignation to the president, I mean when he tendered his resignation, he immediately said: The two of us are leaving.

We assumed at the time that the vice president had also resigned; that is what the proclamation says, meaning he had also resigned. A document was later presented to him, for him to sign his resignation, but he did not sign it. Period. I am not in an organization that receives the written resignation of a government dignitary. This is a political issue. Right? He did not sign his resignation. I accept the responsibility. He is now in charge of the country, according to the Constitution.

[Unidentified reporter] And the Army?

[Garcia] The Guatemalan Army supports that decision.

[Reporter] The Army....

[Garcia, interrupting] We support a constitutional and institutional framework rather than a referential political framework, which must be handled by political and legal groups. In other words, the Guatemalan Army should not assume responsibility for anyone's political attitudes. All we must do is protect what the people have entrusted to us; we are their representatives.

[Correspondent] What about the human rights ombudsman's news conference statements?

[Garcia] I respect everyone's statements; we are a democratic country. We must simply clarify our true position. I assume responsibility for what I said, and I said it based on those events. Perhaps later on we will be able to tell the people how events really happened. You must understand the situation was critical. We were working hard on the case. What we have is, above all, a controversy on whether there was a resignation. It is not my responsibility to settle that issue.

[Correspondent] Are you the one who said it, general?

[Garcia] No. Look, he was the one who said they had resigned. I said he had resigned, and it was in writing. This situation arose because when I asked for former President Serrano's resignation, he said: We are both leaving.

It was taken for granted he had resigned, but it was not done in writing. He has said that. There is no written document that says he resigned. I must not accept any resignation because I am not the one who should. I base myself on actual events.

[Correspondent] Does the Army support Espina Salguero?

[Garcia] We support the president, who must now assume control of the nation, because that is his right according to the laws and the Constitution. [end recording]

Defense Minister: Army To Respect Decision of Congress

PA0406030693 Lima Global de Television Network in Spanish 0100 GMT 4 Jun 93

["Exclusive" telephone interview with Defense Minister Jose Garcia Samayoa in Guatemala City by unidentified reporter in Lima; date not given—recorded]

[Text] [Garcia] The current situation in Guatemala is in the hands of political and constitutional processes that must decide how institutional order will be restored so the Constitution can fully come into force. In other words, as far as the Army is concerned, it has done its constitutional duty of maintaining constitutional order in response to a mandate issued by the Constitutionality Court. This is the role the Army has played. The Army has not staged any coup or countercoup, nor has it attempted to seize political power. We are totally on the sidelines in this issue; we have restored the people's sovereign rights, and the legal, judicial, and constitutional processes must now take the lead in restoring the country to normal.

[Reporter] It seems as if some sort of entrapment [entrampamiento] is being perceived. Will the Army continue to support Gustavo Espina, despite the demands of various sectors of the population?

[Garcia] Sir, the Guatemalan Army has no intention of supporting individuals, groups, institutions, and so on. The Guatemalan Army is conscientiously fulfilling its constitutional duty. We are going to respect our constitutional mandate.

[Reporter] If Gustavo Espina is not officially recognized, what position will the Army take? Will it support the new president?

[Garcia] We will support the decision made in accordance with the Constitution of the Republic. In other words, Congress will make the decision and we will respect that decision.

Menchu Organizes Protests; Questions Military

PA0306173293 Guatemala City Radio Fabulosa in Spanish 1606 GMT 3 Jun 93

[Report by unidentified reporter from the Guatemala City Municipal offices—live]

[Text] Rigoberta Menchu, Nobel Peace Prize laureate, at this time is preparing a demonstration with members of Conavigua [National Commission of Guatemalan Widows] in front of the municipal offices in the capital. These are the statements by the Nobel Peace Prize laureate on the current situation in the country:

[Begin recording] [Menchu, in progress] ...the purge, but through a process. Now I think that neither at the National Palace, nor at the Court [words indistinct] different coups that have taken place, none of them has the moral authority to state who is corrupt and who is not. This is a real problem. Additionally, the leaderships of political parties that have [words indistinct] coups do not have the moral authority to say who will be subject to an amnesty and who will not.

This is why I think it is necessary that civilian society comes together to support a new figure, a new [words indistinct] the evaluation of this with the legal and political solution.

[Unidentified reporter] [words indistinct] before Mr. Espina Salguero took office?

[Menchu] I think so, particularly because there is a great deal of repudiation. We understand Espina became vice president because he financed a large part of the electoral campaign of President Serrano. He became vice president thanks to debts that existed between them. This has not been forgotten by the people of Guatemala. At this time, the situation is very dangerous. I think that they should also contribute their share to find an honorable, professional, and political solution. I think that they should be the first to ask for his resignation and submit themselves to the law.

[Reporter] [words indistinct] these days, the military will definitely assume power? What is your opinion on this?

[Menchu] I think that the military has been in power since the first coup occurred. There are military officers implicated in the first, second, and third coups. I think that the defense minister has accelerated this [words indistinct]. I think that he should be the first to be put on the stand. But in reality there has been military participation. I am afraid there could be a more aggressive confrontation between powerful sectors with an ensuing possible witch-hunt against civilian society. [end recording]

The protesters will march to the Central Park.

Leads Protest Demonstration

PA0406045793 Guatemala City Cadena de Emisoras Unidas in Spanish 0232 GMT 4 Jun 93

[Report by Lucia Duvon from Central Plaza in Guatemala City and by an unidentified reporter in the studio—live]

[Text] [Duvon] We are at Central Plaza. Guatemala's women have taken up the leading role they must play. In view of the recent events, Guatemalan women from various groups and individual women have stated as Guatemalans their rejection of the abrupt break of constitutional and institutional order, something that endangers human rights and the process for civilian participation in the government, as some of them have told us. They are concerned about the effect that the current situation could have on families, social and political organizations, on the family in general. They also rejected the corruption and impunity that prevails in the executive, legislative, and judicial branches, which do not respond to the interests of the Guatemalan people, they said.

The interruption of constitutional and institutional order harms women because it creates a situation of insecurity that produces fear and because it hurts the people's purchasing power, thus further harming an already deteriorated family economy. The women demand that the rulings issued by the Constitutionality Court on 25 and 31 May be implemented. They are also asking that the Constitutionality Court be considered a valid interlocutor for accepting the resignation of members of Congress and the Supreme Court of Justice, considering the protests that they have made as Guatemalans, and considering that the Constitutionality Court would then become a legal alternative that could allow Guatemalan women and men to live again under constitutional and institutional order.

The women said that political institutions and parties must assume their responsibilities in the face of the country's chaotic situation and seriously examine their philosophies and objectives so that they may respond to the basic needs of Guatemalans and not to private interests.

The women have been demonstrating here, led by Rigoberta Menchu. There is a large crowd. Some members of the country's labor unions and popular organizations have painted the walls of the electricity company, on the corner of Sixth Avenue and Eighth Street. The graffiti demands that a Mr. Rodriguez, an important official of the National Institute of Electrification [INDE], quit his post. This is what we are witnessing at Central Plaza.

[Reporter] Lucia, thank you for this report. We have a few questions for you there at Central Plaza. Armando Perez has told us that it has been estimated that there are more than 20,000 persons demonstrating. How have the security forces responded?

[Duvon] At this point the security forces has practically not responded at all. No patrol cars are in sight, and there are no riot police like those we saw during the past week of chaos, a chaos we could not report on at the time. Today, however, there are no security forces around. The demonstration is completely peaceful. It is true, though, that the walls of buildings have been turned into newspapers because the citizens have spray painted them with slogans against the appointment of Gustavo Espina Salguero. The citizens are also asking that Alfonso Rodriguez leave the electricity sector. The women are demanding justice in the case of the killing or death of student Alfred Alpiel Hernandez, from the Central Teachers School.

[Reporter] Lucia, in addition to this, newsmen see in Jorge Serrano's actions some good and some bad aspects. The good part is that Congress was dissolved. We know of the corruption that existed in that institution. The bad part was the censorship imposed on the media. What do demonstrators have to say about this?

[Duvon] A list of 38 deputies is circulating among the demonstrators. The list was prepared by an opposition deputy. The list includes the names and telephone numbers of the 38 deputies so that people may call them at home and ask them to resign from Congress. The list is described as the list of traitor deputies who have committed many acts of corruption against the sacred interests of the Guatemalan people, deputies who on 20 May voted against subsidies for the electricity service and favored the murky businesses of Rodriguez in INDE, deputies who backed Serrano's self- inflicted coup, and who on 2 June tried to set up its continuation by swearing-in Gustavo Espina, a repressive man, as the illegitimate president of Guatemala. The document states: See who they are, denounce them, and condemn them. The document lists the deputies' full names and telephones. At the bottom of the document it is stated: Call them and urge them to leave Congress and the country.

The people are speaking up against Congress, but not all deputies of Congress are corrupt. Like anywhere else in the world, corruption exists in this country. I think the people know who the corrupt people are. Julio Arias was telling me that the people are happy with the dissolution of Congress. This is evidence that the people know their congressmen. Regarding media censorship, I think this was one of the factors that contributed to Serrano's leaving power so soon.

[Reporter] What happened, Lucia, is that the local media was silenced. Some media were temporarily closed, like Teleonce, PRENSA LIBRE, SIGLO VEINTIUNO, and CRONICA magazine. But the international media could not be shot at. What can you say about this?

[Duvon] We were receiving Eco Network news and other important news programs in Guatemala. But the signals were being checked and Guatemalans could not know, not even through the foreign media, what was happening in the country. This is the situation we endured from 25 to 31 May.

[Reporter] That is right, Lucia. Listeners called us then to ask what was happening, but even we did not have all the information because of the media censorship. Tell me: Besides 1992 Nobel Peace Prize winner Rigoberta Menchu, what other personalities have you seen at the demonstration?

[Duvon] All the leaders of labor unions and popular organizations are here. I do not have their names, but the top leaders of all the labor unions in the country and, of course, Dr. Alfonso Fuentes, the rector of San Carlos University, are here.

[Reporter] We have some communications problems. We will try later again.

Army Statement Rejects Menchu's Position

PA0406014693 Guatemala City Cadena de Emisoras Unidas in Spanish 0047 GMT 4 Jun 93

[Text] Captain Julio Alberto Yon Rivera, director of the Army Information and Press Department, read a statement regarding the conduct of Nobel Peace Prize winner Rigoberta Menchu and the position she has adopted in response to the situation the Guatemalan people are experiencing:

[Begin Yon Rivera recording, in progress] ...is profoundly saddened by the public conduct of the Nobel Peace Prize winner, which does not fully correspond with the responsibility that the community and international organizations have bestowed upon her. Isolating herself from Guatemalan society's many sectors and repeating the same polarizing speeches written by other bad Guatemalans, she is still trying to create confrontations among the Guatemalan people, which is not contributing to the creation of conditions of reconciliation and peace, which the Guatemalan people deserve.

7. The Guatemalan Army emphatically states that its main commitment is to the Republic and not to any political sector or party and that it will respect any constitutional position.

8. It is hereby emphatically clarified that a military coup or countercoup never took place, and it was never the Army's intention to attain political power. The partial suspension of the Constitution of the Republic was a political decision by Engineer Jorge Antonio Serrano Elias, who publicly assumed responsibility for this action and for its consequences.

9. Once again each and every citizen is urged to commit himself to a peaceful and democratic search for the foundations of a national reconciliation process that will allow us to achieve the peace we need to establish the conditions for a better Guatemala for ourselves and for our children. [end recording]

URNG Issues Communique on Political Crisis Solution

PA0406041493 Madrid EFE in Spanish 0145 GMT 4 Jun 93

[Text] Mexico City, 3 Jun (EFE)—The Guatemalan National Revolutionary Unity (URNG) issued a communique on 3 June in the Mexican capital advocating civilian society's participation in a solution to Guatemala's political crisis.

"The militarization of power worsens the crisis and precludes democracy in Guatemala," the URNG stated in a communique sent to EFE in the Mexican capital, adding that it demands "the civilian society's participation in a solution to the crisis."

"Two coups d'etat have been carried out within eight days in two different ways and with different coverage. They are both aimed at stopping democracy and precluding the possibility of strengthening civilian power to prevent a commitment to achieve a negotiated political solution to the crisis," the URNG said.

The guerrilla groups announced the Army's actions are "a show of arrogance against institutional weakness in Guatemala and a brazen show of cynicism and mockery to the international community."

"The drama experienced in recent years, with its sequel of sorrow for our people, should serve to reveal the reality that others try to hide, and to assess and unmask maneuvers aimed at deceiving public opinion," the guerrillas added.

The URNG said Serrano's coup plans had been prepared in January and are part of the Army's "strategic operations plan," which leave it free to impose a repressive and military solution on the crisis." [quotation marks as received]

Former President Jorge Serrano was ousted on 31 May after the military withdrew its support one week after Serrano assumed legislative and judicial powers.

The military did not predict "the implications, the national and international rejection and opposition, that the coup would produce. The Guatemalans' rejection led the military to a critical situation which they are trying to overcome by sacrificing a very close ally," the URNG added.

The guerrilla groups criticized the "impunity with which certain people are trying to do whatever they want in Guatemala, based on the decisions adopted by an irresponsible, ominous, and recalcitrant high command."

"Presidents are appointed and removed; state organizations are dissolved and reinstated; security is threatened," the URNG added.

Following Serrano's self-inflicted coup on 25 May, the URNG withdrew from the peace negotiations it had been holding with the Serrano administration since April 1991 to end a 33-year conflict that has resulted in more than 100,000 dead and 1 million displaced persons.

Court Sets Bail for Former President, Vice President

PA0306190893 Guatemala City Cadena de Emisoras Unidas in Spanish 1743 GMT 3 Jun 93

[Report by Congress correspondent Lucia Dubon—live]

[Text] The Fourth Criminal Trial Court has set bail for former President Jorge Antonio Serrano Elias, former Vice President Gustavo Adolfo Espina Salguero, and former Government Minister Francisco Rolando Perdomo Sandoval in view of the more than 11 charges filed against them. In addition, a pretrial hearing against Espina Salguero was requested on 3 June. The case will be discussed immediately so it can be forwarded to the legislative branch. The judge initiated the proceedings by visiting the Presidency and the Congress to conduct a judicial investigation to begin the pretrial hearing.

Attorney General Edgar Tuna Valladares presented the charges against Serrano Elias, Espina Salguero, and Perdomo Sandoval for violating the Constitution, rebellion, public instigation, contempt of the authority of the presidents of state organizations, abuse of authority, abuse against private citizens, abandonment, usurpation of duties, covering up illegal activities, embezzlement, and mismanagement of funds.

An extradition request for Serrano Elias is expected in the next few days.

Walter Robles, chief of prosecutors at the Attorney General's Office, said these charges do not prevent Espina Salguero from taking office. However, there are no deputies at Congress right now and so far the situation remains the same.

Minister Will Not Attend OAS Meeting; Secretary Resigns

PA0306173593 Guatemala City Cadena de Emisoras Unidas in Spanish 1636 GMT 2 Jun 93

[Text] The Guatemalan Foreign Ministry reported on 2 June that Foreign Minister Gonzalo Menendez Park has not left for Washington, where the OAS was going to discuss the Guatemalan case and hear the report of Secretary General Joao Baena Soares, who was in our country over the 29 May weekend.

It was announced that Romeo Escalante, Guatemala's permanent representative to the OAS, will replace Foreign Minister Gonzalo Menendez Park at that meeting.

Arturo Alvarado Perez, Presidency public relations secretary, announced that in response to President Espina's [as heard] 1 June call for all officials to present their resignations, he was planning to present his resignation on 2 June even though he had already done so on 31 May.

[Begin Alvarado Perez recording] It is public knowledge that I presented my resignation to former President Serrano. Now, in response to President Espina's call during his 1 June message to Congress, I will again present my resignation on 2 June.

I have already said that I do not wish to be the public relations secretary, thus I am answering the call made by the president and hereby presenting my resignation.

At any rate, I have to wait and see to whom I will turn over the office. Even though the resignations are irrevocable, one is always obligated to wait for his resignation to be accepted so the post can be turned over to another person. Otherwise it would be like abandoning the post, and that is punishable by law. [end recording]

Nicaragua

Lacayo Opens Center for Higher Military Studies

PA0206225493 Managua Radio Nicaragua Network in Spanish 1100 GMT 31 May 93

[Text] Presidency Minister Antonio Lacayo Oyanguren says the official inauguration of the Center for Higher Military Studies on 29 May constitutes an achievement for the government's efforts to make the Armed Forces more professional and modern.

Lacayo attended the inaugural and Army promotions ceremony accompanied by members of the cabinet, government, and representatives of the branches of state and diplomatic corps accredited in Nicaragua. During his speech, Lacayo announced that a human rights institute will be created shortly.

[Begin Lacayo recording] Mr. Chief Justice of the Nicaraguan Supreme Court of Justice; General Humberto Ortega Saavedra, commander in chief of the Sandinist People's Army; Armed Forces High Command, officers, soldiers; special guests; friends of the diplomatic corps; comrades of the government cabinet:

To plan, organize, and inaugurate a Center for Higher Military Studies in a country which only 1,000 days ago managed to make the transition from war to peace seems strange. It is even stranger for a president like Violeta Chamorro, who has led a profound and accelerated process of peace, demilitarization, and disarmament, to send by way of me a sincere and heart-felt message of congratulations to all the Armed Forces commands, officers, and troops on the occasion of the inauguration of their Center for Higher Military Studies on 1 June.

It is strange and surprising but also totally explainable because we are talking about an Army that was formed during the people's struggle for liberation from the dictatorial oppression that existed toward the end of the 1970's. Today this Army must join the people in their struggle for liberation from other forms of oppression which, perhaps, may be less visible but are just as undesirable as those of the past.

Article 92 of our political Constitution states that it is the duty and right of every Nicaraguan to struggle for the defense of life, fatherland, justice, and peace for the nation's full development. Article 95 says that the Army is the people's armed branch.

When the very life of a nation is threatened because its forests, rivers, lakes, lagoons, coasts, and seas are being ravaged by man's destructive hand, there must be an Army that is the people's armed branch to defend that which is so native, so much one's own as the nature with which God endowed our country.

Since within the next few days we will be celebrating tree week, the Nicaraguan Natural Resources Institute and the Army will sign an agreement whereby they will jointly defend this nature, this environment that is our guide and our fatherland. Meanwhile, because the inhabitants of this native soil are in identical danger because their human rights are not being respected by others through means as varied as assaults, extortion, blackmail, robbery, or even murder, and because the country's youth are attacked by strange forces that bring drugs for the clear purpose of dominating our territory, the people must have an armed branch to prevent the enemy's penetration and safeguard justice and respect for the rights of all Nicaraguans. [end recording]

* Serious Effort Toward Dialogue Urged

93CA0116E Managua EL NUEVO DIARIO in Spanish 17 Apr 93 p 4

[Commentary by Eliodoro Reyes Calero]

[Text] As the installation of the National Dialogue draws near, the results of a political survey conducted in our

country by an agency of the United Nations in 1992 have been released. We must admit that the timing was just right.

The results show that Nicaraguans are disenchanted with the two main political forces and with the government's social strategy and its corruption.

This disenchantment is only natural. It is no accident, nor does it reflect an irredentist attitude or a lack of understanding on the part of Nicaraguans. The reason for it is the fact that government officials and party leaders are apparently unwilling to undertake to solve our economic and social problems. These problems are plain for anyone to see, as evidenced by low levels of production, the distressingly high unemployment rate, pitifully low wages, declining health and living standards, restricted access to education, scarce housing, hunger, a lack of personal security....

This should sound an alarm in the Nicaraguan political class and prompt it to reflect seriously on what kind of solution it will propose to deal with the dramatic state of affairs here.

Some pessimists believe—taking their cue from our country's historical-political experience—that the dialogue may become a trivial, shortsighted forum, limited to satisfying selfish interests and to deciding the fate of certain individuals. A dialogue of this sort, conceived with political myopia or for specific purposes, in the best of cases will lead to a fragile stability over the next three years. Afterwards, the vicious and odious circle into which the Nicaraguan political class has us locked will once again become apparent. This type of dialogue should be rejected out of hand, vehemently. The very idea of it should be condemned immediately.

Negative Skepticism

Skepticism, apathy, and discouragement work against us and help those who would fish in troubled waters. In contrast, we Nicaraguans should impose a National Dialogue that will mark the beginning of an uninterrupted effort to solve our national tragedy, as if we were facing our last chance.

Let us impose a comprehensive, completely open National Dialogue, meaning one that will allow all legitimate interlocutors to speak, and that will define a full and public agenda, resulting in the design of a long-term National Plan for Development and Stability. Such a plan would be subject to phases, stages, monitoring, evaluation, and modification, so that whatever government emerges from the elections will be committed politically, ethically, and legally to continuing the plan as long as it remains in effect, without ignoring the peculiarities involved in exercising power as the current government. In other words, a true, solid, long-term social pact.

A plan of this nature would make it possible for a new political culture to emerge, one that would unite all Nicaraguans around common minimum objectives and goals aimed at serving vital interests and exorcising those armed conflicts that have caused so much pain for certain segments of the population while others profit illegally.

Sustained economic growth, the well-being of all Nicaraguans, the development of the nation, and peace forever—these are aspirations that require integrity and commitment on the part of the Nicaraguan political class.

The members of this class are being seriously challenged by the electorate, and they should not squander this golden opportunity to salvage their credibility and honor, which they have lost not only with their fellow Nicaraguans, but also with the international community that has been so generous to this nation.

You, future participants in the dialogue, have the floor; use it responsibly. Think about all those who have died. Think about the thousands who now lack food, shelter, and employment. Think long and hard...and act responsibly.

* Effectiveness of Recent Tax Measures Questioned

93CA0116C Managua LA PRENSA in Spanish 24 Apr 93 p 10

[Commentary by Mauricio Baca Munoz]

[Text] It is of the utmost importance that the citizenry be aware of the real scope of the measures recently announced by the government, because there are ambiguities, half-truths, and errors that could be considered blatant falsehoods if we did not give the government the benefit of the doubt.

We should note at the outset that a distinction must be made between granting a tax benefit or stimulus and merely removing an obstacle posed by taxes. The former implies making an exception to the country's fiscal regulations or to a universally accepted principle. The latter means exempting an activity or a product from a tax that the government itself has levied and that sets up a barrier, to the detriment of the taxpayer.

A tax that should not be levied on a given activity for reasons of economics or fairness, is considered improper.

Considering some of the measures announced by the government, we must conclude that they are neither a benefit nor an incentive, but amount to merely removing an obstacle previously created by the government itself. This is the case of the exemption from the 15-percent General Sales Tax (IGV) for electricity used in farm irrigation.

Bear in mind that the government established this tax in September 1992, and it has been a burden on agricultural production ever since, since it taxes a component of

agriculture-livestock production that adds to costs and the price of final production. Thus, the farmer is placed in a situation in which it is difficult for him to compete with imports from Central American countries and those that are donations.

Farmers are producing fewer goods for export. Thus, it is clear that the exemption from the 15-percent tax announced by the government is not a fiscal stimulus, but merely the removal of an obstacle it had put there itself. The same can be said of industrial machinery and equipment. These goods became subject to the sales tax for the first time in 1984 under the Sandinist government, as they had been tax-exempt under previous law.

In short, based on the above considerations, we can assert that the recent measures concerning the agriculture-livestock and industrial sectors do not constitute an incentive, since they merely eliminate obstacles that the government itself had created.

With regard to the export incentives that were widely publicized by the government, it should be noted that exports and purchases of inputs or raw materials produced in this country and used in the production of exports are exempt under the Export Promotion Act of 21 August 1991, Article 7 Subparagraph (b), and under the Free Trade Zone Act of 13 November 1991, Article 20 Number (6).

In addition, the IGV exemptions for machinery and equipment in the agriculture-livestock sector, announced as new measures, are not new. They were included from the very beginning in the law that established the tax.

Thus, it is clear that the government announced measures that were already part of Nicaragua's tax legislation, and therefore were no new benefit.

It should be noted further that the IGV exemptions for raw materials used in the production of exports covered all raw materials, while the latest measures limit the exemption to principal raw materials. Consequently, the measure announced as an export stimulus actually reduces existing stimuli.

Here we find ourselves facing a disturbing situation: Though we should not doubt the veracity of the government's statements in general, on the other hand, we must also believe that the government is not so ignorant that it does not know the provisions of its own laws, in this case, the Export Promotion Act and the Free Trade Zone Act. We say that the situation is disturbing because of the nature and scope of the conclusions that inevitably arise: Either the government has no credibility, or the government does not know what its own laws say.

Finally, it should be pointed out that the 15-percent IGV on raw materials and inputs for industry is still in effect. This tax should be eliminated, because it is an obstacle to development in this sector.

* Costa Rican Model To Attract Investors

93CA0113A Managua LA PRENSA in Spanish 12 Apr 93 p 10

[Commentary by Bonvin Francois]

[Text] As a small foreign investor, I was quite interested in the 18 [March] LA PRENSA article, "Why Investors Come, See, and Go Away."

I agree with you on some points, like political, social, and economic instability, and partly about lack of security for investments.

Do not forget that investing in any country in the world always entails large or small risks, depending on the investment. But when there are big risks, there is greater potential for profit. Some stock market movements are impossible to foresee, like some years ago when the Paris Stock Exchange dropped about 30 percent in one week. And depending on how you were operating, current trading or futures, you lost or gained.

Who could have foreseen five years ago the end of Pan Am? Who could predict the fall of over 10 times in the price of hemp for making rope after the end of the Korean war?

No expert, even the most famous, can predict major economic movements; he can only make some forecasts. Moreover, economists do not agree. As an example, what is better, a little inflation without a recession, or protecting currency by clamping down on credit, not issuing currency, and having a recession?

That is why I believe there is always an opportunity to invest in any country, if we carefully study the risks and select or reject those risks. Feasibility studies that are fairly easy to do allow an investor to choose which investment to make.

Big companies know how to minimize risks, as do insurance companies which quantify risks by diversifying both their insurance policies and their investments. They also spread risks around, and naturally their profits as well, with other companies. The fewer risks, the fewer profits.

In addition, risk-taking is the same as "the glass that is half empty or half full." It all depends on your position as seller or consumer.

It seems to me that if you refer to Chapter II, Article 7, paragraph 15c of the "Foreign Investments Law" number 127 and some other decrees, that law gives the investor fairly attractive security.

Unlike Point 3 of its article in Chapter II of the same law, Article 13 is quite clear and says that investors may be totally or partially exempted from payment of taxes and customs duties. In addition, exemptions on foreign investments for small industries, Free Trade Zones, natural resources development, and Intourism [Institute of Tourism and the Environment], under the Law of

1970, are still in effect and have not been rescinded, according to attorney Leonte Lola, even though the Ministry of Finance in 1990 turned a deaf ear to my request for a tax exemption.

That did not make me abandon my plans to open a French restaurant in Managua, because I felt it was "worth the trouble."

Of course, energy prices have risen a great deal, too much for consumers, and the cost of living as well. But even so, labor and social costs are quite low. Another very positive point is the ease and low cost involved, for when a foreigner establishes residence, he *ipso facto* has the right to work. The Nicaraguan is a good and fairly competent worker. The roads are in good condition, and in terms of tourism the country is quite attractive. Furthermore, there is no xenophobia or racism. Another important point: the investor can create a company with 100 percent foreign capital and partners.

Upon reading this, you will think I found paradise in Nicaragua. Of course, there are a number of things that trouble the investor.

But before that, I will make a comparison with the country just to the south, Costa Rica, where I was an investor for over three years, and you will see that here the situation is not so black as you believe.

I had two companies and I could not obtain permanent resident status, only temporary. I had to divide my shares in those companies with Costa Rican partners, which they never paid me for. I could not work, because I was classified as a tourist even though I was president of the two companies. I had to leave Costa Rica every three months to renew my visa. It was crazy.

I knew Costa Rica, because I had gone to school there. But I was led by a CINDE [Coalition for Development Initiatives], a Costa Rican Government organization, and Costa Rican COSEP [Higher Council of Private Enterprise] official to see only the good side of his country, concealing that it is a socialist country (PLN [National Liberation Party]) affiliated with the Socialist Internationale, with burdensome administrative red tape in general, and an immigration service that is almost a state within a state, and one which hassles foreigners.

In Costa Rica, only very large companies are foreign investors, and the Cartago Free Trade Zone, the largest in the country, is less than half occupied. The Puerto Limon Free Trade Zone is totally empty. Most of its exports are bananas, which are owned by multinationals that have no obligation to bring back money made from their exports. They only pay a tax of approximately half a dollar per case on their exports.

Here any producer can grow bananas and export them. In Costa Rica four or five U.S. companies have a monopoly.

I was told at the CINDE that I could bring in my car and not pay taxes. That was not true; I had to buy the vehicle in Costa Rica, even though I had a company in the Free Trade Zone.

If you are familiar with Costa Rica, you know that its roads are in a horrible state. There are only two paved highways to the sea. One in Guanacaste, to Playa del Coco on the Pacific, and one to Puerto Limon on the Caribbean side.

To go to the most famous beach resort in Costa Rica, Quepos, you have to drive for 40 kilometers on a dirt road, and during the winter when there is a lot of rain, it is impossible to get through.

In spite of all that, there is a lot of tourism and small investors do own some beach property. (They say they either leave every three months, or marry Costa Rican nationals.)

So why this success with big investors and tourism?

The answer is quite simple. The Costa Ricans know how to sell their country's image abroad. They are very good salespeople. Government propaganda makes people think Costa Rica is the most beautiful country in the world, with the finest beaches, the largest volcanoes, etc., etc. And the Costa Ricans believe this.

The CINDE representatives are very efficient, and they work inside embassies in order to scout for investors from all over the world, using very attractive and effective publicity campaigns.

Unlike commercial attaches, who have to sell their country's products abroad, the CINDE officials attract investors, offering courtesy visas, a representative in Costa Rica speaking the investor's language. They make hotel reservations and get airline tickets for him. All these little things attract investors to Costa Rica.

To promote investment in Nicaragua, you have to do what the Costa Ricans do, but some things do need to be changed here, things that bother the investor quite a bit.

1) A lot of bureaucratic red tape is required to establish a company, and some really has little to do with the company. (See in LA PRENSA the article entitled "The Investor's Calvary"; I am the businessman mentioned in this article.) It would be easy to set up a central office that would handle, for payment, all these procedures for the investor. Not everyone has the money to spend $5,000 (read $10,000) in attorney's fees.

2) Cancel visas for investors on study trips, or issue a courtesy visa.

3) Create a business court with judges who are businesspeople elected by all the country's businesspeople, in order to handle more rapidly problems among businesses, industries, and peasants who have to wait for several months (read years) to get cases settled.

4) Cancel preventive embargoes, as they serve more to stifle competition than to deter the embargoed goods. In addition to not respecting the citizens' personal property, they ruin small companies without much cash on hand, creating more unemployed people. In addition, and perhaps the most important point, preventive embargoes do not respect international law (Article IX of the Declaration of the Rights of Man and of the Citizen says that every accused person is presumed innocent until his guilt has been proved). Preventive embargoes violate this law, as there is a presumption of guilt on the part of the embargoed party.

In addition, they do not respect the right of every accused person who has been embargoed, for the embargo is not decided in the presence of the accused or of his legal representative, and is therefore totally illegal under international law.

Moreover, if the embargoed party is not guilty, the person who initiated the action is not penalized in any way, as the embargoed party or his company is bankrupt, and they have no funds left to seek justice against the initiator of this action and against the courts.

Panama

Police Attempt To Quell Transportation Workers Rally

PA0306230093 Panama City Circuito RPC Radio in Spanish 2129 GMT 3 Jun 93

[Report by Rigoberto Dumas Castillero in Panama City—live]

[Text] We are at Plaza Porras, where transportation groups were supposed to hold a rally. As a group was leaving on a march to the Legislative Assembly, some provocation apparently occurred and riot police fired tear gas. As reported earlier, birdshot was fired as well. Plaza Porras is currently completely clear; vehicle traffic has returned to normal. However, some reports indicate that this is because the transportation workers are on their way to the Legislative Assembly.

The tear gas has hurt many businesses because they had to close their shops, including furniture shops and stores in the Plaza Porras area. In Cuchilla de Calidonia, businesses have pulled down iron bars as a security measure.

People, including children, women, and elderly people not involved in the movement, go about visibly suffering the effects of the tear gas. Many newsmen, including foreign reporters, are covering the action. People are walking toward Central Avenue, possibly toward the Legislative Assembly. Some people are carrying flags. Police units are still in the area but reports indicate that they will be going to the Legislative Assembly area.

Argentina

President Not To Approve Patent Law by Decree

PY0306135093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1308 GMT 3 Jun 93

[Excerpts] Cordoba, 3 Jun (NA)—[Passage omitted] President Carlos Menem is making a 6-hour visit to Cordoba. He was interviewed by the newspaper LA VOZ DEL INTERIOR, which publishes the president's remarks in today's issue. [passage omitted]

Regarding the patent and medicines law, the president said it will not be approved by decree, thus ruling out the possibility of taking this document with him on 29 June, when he will meet in Washington with U.S. President Bill Clinton. [passage omitted]

Senator Congratulates Di Tella on Falklands Stance

PY0306202393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1329 GMT 3 Jun 93

[Text] Buenos Aires, 3 Jun (NA)—Radical Civic Union [UCR] Senator Hipolito Solari Yrigoyen described as "colonial" the dispute between Argentina and Great Britain over the Malvinas Islands. He said he believes "we should consider the islanders' interests but not their will, like the United Kingdom intends."

He added that he congratulates Foreign Minister Guido Di Tella "for his recent statements on the issue because they reject other statements published by the press that had been misinterpreted in Argentina, Great Britain, and the Malvinas Islands."

Solari Yrigoyen said he held a meeting with Di Tella during which he demanded the need for "a more fluent dialogue" with Congress regarding the Malvinas Islands sovereignty issue.

Regarding the Malvinas Island issue, Solari said "it is regrettable that on many occasions we learn about what is happening through either the Argentine and British press, or even Malvinas radios and newspapers."

Solari Yrigoyen addressed Di Tella on "the need to achieve an agreement for the transit of passengers between the Malvinas Islands and the continent through stopovers or other means."

He said: "The negotiations have been quite useful but so far they have not been held in the islands. So that we may achieve a better understanding, they should be more fluent and held in the islands."

The UCR legislator reasserted to Di Tella his request that "because they are treaties, agreements signed with Great Britain should be submitted to Congress for their study." He also requested "the holding of a meeting of Argentine and UK legislators similar to the one currently being held within the framework of the World Inter-Parliamentary Union but in the Malvinas Islands."

The legislator added: "This is what we asked the British in our last meeting."

Solari Yrigoyen said that "I fully agree with the minister in that we should go ahead with our sovereignty claims over the southern archipelagoes, but in many instances we disagree with the methods used by the government."

Names of 'Executions' Investigating Committee Members Given

PY0306232993 Buenos Aires CLARIN in Spanish 3 Jun 93 p 10

[Excerpt] The Defense Ministry yesterday created, through an internal resolution, a committee that will investigate reports on firing-squad executions of Argentine soldiers during the Malvinas war. President Carlos Menem made this announcement last night to war veterans who visited him in his office.

According to Resolution No. 220, signed by [Defense] Minister Oscar Camilion, the committee will be made up of military bishop Monsignor Norberto Eugenio Martina, adviser Nicolas Horacio Gonzalez, Human Resources Director General Norberto Bruno Videla, Legal Affairs Director Carlos Alberto Sivori, Proceedings Director Susana Scianca, and Volunteers Association Vice President Julia Solana Pacheco. [passage omitted]

Atomic Agency Chief Praises Agency Transformation

PY0306174093 Buenos Aires TELAM in Spanish 1347 GMT 3 Jun 93

[Text] Buenos Aires, 3 Jun (TELAM)—The efficiency of the National Commission for Atomic Energy (CNEA) "will multiply if we transform its capital into shares," said CNEA head Manuel Mondino.

He added that private capital and investments will figure in nuclear plants operation, radioisotopes production, the sale of services to companies, and fuel production.

Mondino talked with reporters at the Mercosur [Common Market of the South] fair. He said the proposal foresees the CNEA heading a holding [given in English] company comprised of four different units.

Under this scheme, the CNEA will police the operation and be responsible for security, the control of nuclear installations, international relations, research, and the training of human resources in basic sciences.

Mondino recalled that the CNEA "self-finances its operations through the sale of electric energy and other products, services, and exports."

"We want the CNEA to become a state-owned company with its assets valued in shares, an efficient and financially sound enterprise," Mondino said, adding that "one of the keys to success is to develop our national scientific potential."

Bolivia

Navy Commander Says U.S. Embassy Cannot Veto Citizens

PY0306185693 La Paz Television Nacional Network in Spanish 1700 GMT 3 Jun 93

[Text] Commenting on the [Patriotic Accord candidate for deputy Guillermo] Capobianco affair, Bolivian Navy Commander Miguel Alvarez has said the U.S. Embassy in Bolivia is not empowered to veto the activities of Bolivian citizens or to interfere with our laws.

Alvarez added that he could not confirm if the U.S. Embassy charges constitute interference in domestic affairs because he lacked evidence, but he explained that the National Electoral Court is the only institution empowered to veto candidacies for the legislature.

Certificate Issued in Favor of Capobianco Canceled

PY0306144793 La Paz Radio Fides Network in Spanish 1100 GMT 3 Jun 93

[Excerpt] Guillermo Capobianco Rivera, a Patriotic Accord [AP] candidate running for deputy in Santa Cruz department and who was interior minister during the AP administration, is the center of Bolivian news for the second consecutive day.

A press communique issued by the Social Defense Under Secretariat refers to Capobianco. A press communique issued late last night by this secretariat under the jurisdiction of the Ministry of Interior Migration and Justice states:
1. On 28 May 1993, just six days ago, this secretariat issued a certificate in favor of Guillermo Capobianco Rivera stating that the files of the Special Antinarcotics Force and its intelligence organizations contain no records of Capobianco's involvement in drug trafficking.
2. At 1730 on 1 June 1993, last Tuesday, the U.S. Embassy addressed a note to Social Defense Under Secretary Gonzalo Torrijos which includes a communique reporting on Capobianco's alleged involvement in drug trafficking.
3. Consequently, this under secretariat informs the people that the certificate issued on 28 May 1993 is hereby canceled. This means the good conduct certificate on alleged involvement in drug trafficking activities issued in favor of Guillermo Capobianco Rivera is hereby canceled. [passage omitted]

Alleged German Arms Trafficker Denies Involvement

PY0306152793 La Paz LA RAZON in Spanish 28 May 93 pp A8, A9

[Text] Gunther Pausch, the main individual accused of international arms trafficking in the name of Bolivia, came voluntarily yesterday to the Prosecutor's Office of the La Paz District. He denied all the charges against him but admitted that "his only problem" is the courtesy visa that was forged by an individual he does not know.

Pausch first named Norberto Quiroga, second secretary of the Bolivian Embassy in Venezuela, as the individual who helped him obtain a diplomatic visa which subsequently turned out to be forged "by another individual" he does not know.

Quiroga was the chief of the Studies Department of the Diplomatic Academy from 1989 to 1993. The Foreign Ministry has not yet commented on Quiroga's situation.

After three days of negotiations Pausch surrendered voluntarily to District Prosecutor Javier Dips at 0830 on 27 May in Santa Cruz in accordance with the guarantees given by the Prosecutor's Office to him and his family.

Pausch arrived at El Alto International Airport in La Paz at 1210. Before being taken to the District Prosecutor's Office on Indaburo Street under strict security measures, the press was able to talk with him despite his limitations with the Spanish language.

Although the reporters insisted on the same question posed in different ways, Pausch denied any involvement in arms trafficking and denied that he has any legal problems in Germany or in Bolivia.

In an effort to make himself understood, Pausch asserted that his German documents are legal and that they were issued by the German Justice Department which he said is the highest German institution.

He said: "My German passport is not false. The nine passports I have are German. I have no problems." He insisted that he has no passport issued by the Bolivian Government.

The Bolivian Foreign Ministry has charged Pausch with forging a courtesy document which is used by diplomats. This was admitted by Pausch who indicated, however, that he did not expect to have that document.

"The only problem is the false courtesy visa. It was important for me to have a normal visa to open a checking account in a Bolivian bank" said Pausch when he reiterated he is not interested in having a diplomatic document.

Pausch explained that the procedure to get a normal visa, which is a requirement to open a checking account, was made by his wife Tania Zuazo through "Norberto Quiroga for $200, but only to get a normal visa."

He added: "Quiroga spoke on my behalf. He did not sign or stamp the courtesy visit. That was another man. I am not a diplomat therefore I do not want that visa."

Pausch added that he learned only recently that the document given to him is false. He said: "At first I thought the visa was not forged. Now I know that the signature and the stamp are forged but not by Quiroga."

He denied knowing Jose Luis Lopez, the Foreign Ministry official now at large who was accused of forging the document. Lopez escaped to the United States thanks to an official passport obtained from the Foreign Ministry which led to the suspension of five ministry employees: Bernard Inch, Fernando Calderon, Mirna Palacios, Victor Hugo Penaranda, and Carlos Rosso.

Regarding the charges against him, Pausch denied any involvement in international arms trafficking in the name of Bolivia or any other country.

He said: "I have never sold a pistol, a rifle, or a grenade in my life. I do not buy or sell anything like that." He thus completely discarded any contacts with arms traffickers of other countries.

Pausch also denied he forged the signature of Interior Minister Carlos Saavedra on an order for sophisticated equipment in the name of Bolivia.

He also denied having represented the National Institute for Exports Promotion (Inpex). He said: "I do not know Inpex, I never represented Inpex."

Regarding arms trafficking, Pausch mentioned the name Man Smith whom he believes has contacts with Croatia but did not specify what kind of contacts.

District Prosecutor Javier Dips emphasized the role played by the Prosecutor's Office and the Interior Ministry in handing over this individual after his rights and those of his family were guaranteed.

Dips said that Pausch is an important link in clarifying the arms trafficking case, therefore a request will be made to the German Government to gather the necessary documents and evidence.

Dips also reported that Attorney General Angel Baldivieso, who is responsible for the investigation, will arrive in La Paz today.

Poll Puts Banzer Ahead for First Time in Voters' Preference

PY0306231493 Madrid EFE in Spanish 2044 GMT 3 Jun 93

[Text] La Paz, 3 Jun (EFE)—Three days before the general elections in Bolivia, and for the first time since the beginning of the electoral campaign, an independent poll gave first place to General Hugo Banzer, presidential candidate for the pro-government Patriotic Agreement (AP).

According to a poll by "Encuestas e Investigaciones"—which is a private firm—whose results were released today by the local new agency ANF [Fides News Agency], Banzer could obtain 26 percent of the votes on 6 June, while the liberal Nationalist Revolutionary Movement (MNR), the main opposition party, might obtain 24 percent.

So far, all the polls had concluded that the MNR, whose candidate in Gonzalo Sanchez de Lozada, would win the presidential and congressional elections.

"Encuestas e Investigaciones" polled 3,500 people in the nine departments (provinces) of this Andean country.

According to the poll, Solidarity Civic Union (UCS), a populist party that sponsors the candidacy of brewery entrepreneur Max Fernandez will rank third with 20 percent of the votes.

All political forecasts and analyses note that Max Fernandez will be Banzer's major ally in the general's attempt to win the presidency because a candidate needs 51 percent of the votes, and all polls have concluded that no candidate will obtain that many votes.

The MNR could block this alliance if it is supported by the populist Conscience of the Fatherland (Condepa) and the leftist Free Bolivia Movement, which will obtain—according to the poll—10 and 6 percent, respectively, and by some of the small parties that are among the 14 running in the election.

Banzer's candidacy for the AP is the result of a coalition between the general's party, the rightist Nationalist Democratic Action (ADN), and the party of current President Jaime Paz Zamora, the socialist-democratic Movement of the Revolutionary Left (MIR), which have jointly governed the country for the past four years.

Banzer governed Bolivia with a military regime that was installed by a coup and lasted from 1971 to 1978.

Brazil

Canadian Agency Sues Embraer Over Debt Arrears

PY0306024793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jun 93 Economy and Finances Sections p 8

[Article by Roberto Godoy]

[Text] The Brazilian Aeronautics Company (Embraer), of Sao Jose dos Campos, is being legally sued by the Canadian state-owned financial agency EDC, Export Development Corporation, for having failed since 16 December 1991 to pay any installments on a contract financing the purchase of engines and spare parts for its regular line planes. The accumulated debt totals $119 million (5.3 quadrillion cruzeiros). According to Douglas Fourtney, executive manager of the loan administration sector, "this is the first time the EDC has tried to collect payment of a debt through the courts."

Embraer Financial Director Manuel de Oliveira believes the problem will be solved within the next few weeks. "The Export Corporation is willing to allow us to pay the interest, which totals $16 million, and then reschedule the remaining amount," he said. The money is part of a

package released by the Banespa [Sao Paulo State Bank] to support industrial activities.

The Canadian corporation has attributions similar to those of the Eximbank, or the BNDS [National Bank for Economic and Social Development) in Brazil. It opens lines of credit to support operations in foreign markets. Embraer uses turbines produced by the company Pratt & Whitney, of Canada, in almost all of its products except for the AMX [fighter plane produced in joint venture with Italy], which uses Rolls-Royce engines.

The two loans mentioned in the lawsuit were contracted in 1988 and 1989. Embraer suspended payments on the principal and on interest 18 months ago. "The EDC took several steps to negotiate the debt, but without success," Fortney said. At this time the government agency is waiting for a decision by an Ontario court before taking legal action in Brazil.

The lawsuit hits Embraer at a delicate moment. The company has short- and medium-term debts totaling $700 million (Embraer's total debt amounts to more than $1.1 billion when long term debts are added), while total revenue is expected to reach $400 million.

Cardoso Says Canadian Lawsuit 'Inappropriate'

PY0306203593 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun Economy and Finance Section p 10

[Article by Roberto Godoy]

[Text] Finance Minister Fernando Henrique Cardoso has termed the lawsuit that Canada's state financial agency, the Export Development Corporation (EDC), filed against the Brazilian Aeronautics Company (Embraer) to collect unpaid debts an "inappropriate pressuring maneuver." Since December 1991, Embraer has failed to pay the installments on a financial contract for $119 million (about 5 trillion cruzeiros) for the purchase of motors for its planes.

The lawsuit was filed in Ontario. The local court has to recognize the lawsuit in order for the EDC to take any legal action in Brazil. Even though the Finance Ministry is not directly involved in the negotiations, foreign trade experts usually advise those government agencies involved in this type of operation.

Embraer Financial Director Manoel de Oliveira yesterday said that "the first thing to be noted is that the debt is much lower; it is slightly more than $42 million." He added: "The Canadians consolidated everything into a single figure that even includes obligations that have not yet reached their maturity date."

The EDC has promised Manoel de Oliveira that overdue interest, which amounts to $16 million, will not be charged.

Government Coffee Policy Leak Prompts Market Speculation

PY3105223893 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 May 93 Section 1 p 7

[Article by Maristela Mafei]

[Text] The Brazilian Government has again become involved in the coffee market, by reducing the deadline to register coffee exports. FOLHA DE SAO PAULO has discovered that exporters who were acquainted with confidential information, which was later published in yesterday's OFFICIAL GAZETTE, registered about 6 million bags in coffee exports last week. This quantity represents one-third of the Brazilian coffee harvest, which is estimated at 17 million bags.

Weekly registries do not normally even reach 1 million bags. The maneuver caused a decline in the New York Stock Exchange prices yesterday. The last time that the government became involved in the coffee sector was in March 1991, when former [Economy] Minister Zelia Cardoso de Mello issued a resolution that also caused an information leak and speculative maneuvers.

Resolution No. 27/93, signed by Industry and Commerce Minister Jose Eduardo Andrade Vieira, reduces the deadline to register coffee exports from 12 to three months. Exporters were before allowed to close coffee sales deals for delivery abroad by May 1994 must now fulfill such a commitment by September.

The government's measure seeks to "moralize" the mechanism—there were clues of "forged" entries whose only goal was to secure subsidized credits through advance payments of contracts tied to the dollar exchange rate [antecipacoes de contratos de cambio] (ACC's)—and prop up coffee prices on the international market, as part of the proposals discussed by coffee-producing countries in Colombia last weekend.

Export permits will require information on coffee volumes and the sales price after prices are fixed. Brazil will pursue its policy of maintaining stockpiles—totalling 15 percent of coffee exports—until an agreement among the producing countries is established.

Difficulties in Making Budget Cuts Discussed

PY0306210293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 May 93 p 3

[From the "Notes and Information" page; commentary: "Negotiating in a Mine Field"]

[Text] To state that the U.S. decision to investigate unfair trade practices in Brazil will interfere with Minister Fernando Henrique Cardoso's negotiations with Congress in order not to increase the public deficit, that is, inflation, is not an exaggeration. This fear is so great that the president wants Washington to review its position despite the fact that he knows that according to U.S. laws, investigations must continue to the very end, no

matter how bitter that might be for Brazil. The paleolithic left wing certainly will find support from legislators more interested in their electoral positions—always present in Congress—to demand that Planalto Palace assume an aggressive attitude and to use the common sense marking Senator Fernando Henrique Cardoso's position in this regrettable episode on patents as a sign that the government does not intend to look after Brazilian interests. Senators and deputies who did not like to see their electoral projects (financed with public money) cut by the finance minister now will join forces. It is appropriate to mention here that a final agreement with creditor banks is conditioned to Senate approval of the bonds distribution system per categories offered by the Brazilian Government to these creditor banks. We, then, have more than enough reasons to fear a not-so-reasonable political position by legislators in Congress.

The effort the finance minister must make to stabilize our currency is not small. Despite his natural optimism, Senator Fernando Henrique Cardoso recognized that the situation he inherited is not brilliant. He insists, however, on the possibility of a solution. This solution, we must recognize, first must go through an austerity policy, with which neither Congress nor the president—who is persecuted by an obsession with "the social aspect"—are used to living with. The cuts needed to honor the 85 percent increase for military and civilian public workers will demand a sacrifice, or cuts, of $2 billion. The finance minister is willing to assume the responsibility for that burden if the president authorizes it. But the matter is not only the increase in public workers' salaries. It will be necessary to make much deeper cuts in order to prevent the growth of the internal debt and the consequent increase of the amount paid on interest on them. More cuts will be necessary if the debt is going to be reduced and more funds are to be used for social projects or productive programs. Minister Cardoso made clear to senators on 27 May that all these cuts must be negotiated with Congress because they must be introduced as amendments to the budget bill.

In other words, the currency cleanup will depend on a broad political negotiation. The executive branch will be moving in a very dense mine field. Those who are not aware of this fact will not see the hurdles raised in the path of Minister Cardoso's work. A vague idea of the difficulties ahead can be had through a forecast made by Deputy Jose Serra, a budget specialist: It will be necessary to cut almost 80 percent of previously approved amendments! This is one figure. There are other dangers in front of all of us who will suffer the consequences if Cardoso's mission fails. One of them is that no one in the executive branch is certain yet of the exact amount it will be necessary to cut: Estimates vary between $6 billion and $20 billion! Besides, each ministry has its own estimate of inflation and personnel spending and, therefore, its own assessment about spending in general. Minister Fernando Cardoso has until the end of June to unify ministries' criteria and calculations in order to be able to negotiate with Congress.

Cardoso's harshest troubles will begin there. The executive knew before replacing former Finance Minister Paulo Haddad that cuts of that order had to be made. The executive also knew what reactions it could expect from Congress. The reader must know that the interests involved when tackling the public deficit are not only those affecting deputies and senators, but also those affecting governors and mayors and those that can be called institutional interests of the federative states. For instance, the minister will have great difficulties cutting funds assigned—through an amendment—to capitalize three state banks in the northeast involving nearly $200 million because the legislators who proposed and supported the amendment have enough influence in the Senate to create difficulties, particularly now that Senator Mansueto de Lavor promised a month ago a study showing that the budget includes $20 billion in idle funds the executive branch can use without touching legislators' interests. Besides all this, the finance minister must discuss with governors how much the central government expects to receive from states on account of their debt to the national Treasury. State finance secretaries proposed renegotiating state and municipal debts in order to pay at a rate of 7 percent of their net budget. According to calculations provided by the Treasury, if the government accepts this proposal it will lose $2.1 billion per year.

These few examples provide a picture of the difficulties Minister Cardoso will have to overcome. If he fails, there will be no plan, program, or what have you capable of stabilizing the currency, or the political system for that matter!

Astro-2 Rocket Boosts Aerospace Company's Profits

PY0306205293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 May 93 Economy Section p 9

[Article by Roberto Godoy]

[Text] The Brazilian military industry has lost almost all its commercial battles in the past five years. But the situation is beginning to improve. The Astro-2—the new model of the most sophisticated Brazilian military equipment—is playing the main role in this commercial battle. The Astro-2 is a multiple launcher of saturation rockets manufactured by the Sao Jose dos Campos-based Avibras Aeroespacial [Avibras Aerospace Industry, Inc.] in Vale do Paraiba.

The coastal defense version of this equipment widely used by the Iraqi Army in the war against Iran and by Saudi Arabia in the Persian Gulf will be displayed in June at the Le Bourget Aeronautic and Space Fair in Paris. The battery is coordinated by a central command and activated by a surveillance radar. Each battery costs $10 million.

The company also will exhibit the Fog-MPM, which is an anti-tank, anti-helicopter, and anti-defense missile. This is the first missile of its kind guided by a television

signal. It already has been tested and soon will be manufactured regularly. The gunner virtually pilots the 1.5-meter missile like in a video game. The range is about 10,000 meters.

The Astro-2 rockets can carry antipersonnel, anti-armor or incendiary charges. The interval between each volley is 16 seconds. The Astro battery can be on its way to a new position 90 seconds after completing its mission, thus escaping enemy counterfire and expanding its own range by moving around the theater of operations.

The Astro-2 is the key to the financial recovery of the group, which had to reach an agreement with its creditors in 1990. In just one year it managed to pay off a $200 million debt, and in 1992 it made a $10 million profit.

According to Avibras President Joao Verdi de Carvalho Leite, the results came from the various activities: The company provides high-technology services to industries nationwide. Verdi said these results also were obtained by supplying sensitive material to Middle East armed forces.

Behind the Avibras president's cautious words is the delivery of 10,000 rockets and propellants to the Saudi Army in September 1990 worth $70 million. Other orders described by Verdi as "minor" will follow this shipment that was sent from Sao Paulo to Riyadh through a special air bridge that involved 20 cargo planes.

Poll Shows Brazilians Approve of Government

PY0306202193

[Editorial Report] Sao Paulo FOLHA DE SAO PAULO in Portuguese on 30 May publishes in Section 1 on pages 6 and 12 two articles on a nationwide survey conducted by DataFolha that ended 26 May.

A 300-word article by Reinaldo Azevedo says 50 percent of the people questioned rate the government's performance as reasonable, 26 percent think the government is bad or very bad, and 19 percent believe it is very good.

Of those questioned 24 percent could remember the name of former Finance Minister Eliseu Resende while only 21 percent knew the name of new Finance Minister Fernando Henrique Cardoso. A total of 45 percent, however, think the change of ministers was good for the country, and 53 percent think the change was good for the government. Eleven percent said the country's fortunes will deteriorate with the changes, while 14 percent said the changes will adversely affect the government's performance.

Regarding the dismissal of Federal Administration Secretary Luiza Erundina, 41 percent believe it will be good for the country, while 29 percent think the country will deteriorate with the designation of retired General Romildo Canhin to replace Erundina.

A 500-word article by Gilberto Dimenstein stresses that, according to the survey, 73 percent of the Brazilian people think the country "is viable" while only 18 percent of those questioned think the country "is unviable." The survey shows that hope is greater among those earning more, 81 percent, and those who earn more than 10 minimum salaries.

The author notes that congressional economists Roberto Campos, Delfim Netto, and Aloizio Mercadante are also optimistic and quotes Roberto Campos as saying that "we are getting ready, through twisted mechanisms, to return to a more favorable path." According to these economists, the item Brazilians need to emphasize the most is education, "without which improved productivity or scientific production cannot be guaranteed."

The author says the economists note many "comparative advantages" like the lack of religious or regional conflicts or problems with neighboring countries. The economists also noted that Brazilians speak a single language and natural resources are abundant, admitting, however, that the "industrial base is outdated but still the most sophisticated in the Third World."

* Governing Style, Personal Traits of Franco Seen

93SM0244B Sao Paulo ISTOE in Portuguese 21 Apr 93 pp 24-26

[Article by Marcelo Tognozzi: "Itamar's Outbursts"]

[Text] *The televised scolding of the minister of justice shows that the president, despite his efforts, has not yet quenched his short fuse.*

Lights, camera, action! The first reprimand by President Itamar Franco has been seen on the air, broadcast in color throughout the country via Embratel. Followed from afar by the lenses of cameramen from the country's main television networks, Itamar and Minister of Justice Mauricio Correa were engaged in animated conversation as they left Planalto Palace at 2130 on Wednesday the 14th. They were interrupted by the chief of the Military Household, General Fernando Cardoso, who whispered something in the president of the republic's ear. Itamar's reaction was immediate. He forgot that the press was a few meters away documenting everything. With much gesturing, he yelled at Correa: "This is a secret matter." The nervous minister tried to calm the chief down, but succeeded only in irritating him even more. "This is not possible," the president exclaimed. After 10 minutes of discomposure, with his forelock in disarray and breathing heavily, he got into the presidential Opala and slammed the door, its dull thud being picked up by the television microphones. The lights and cameras turned on the minister, who was completely paralyzed. It was the start of a mystery that was not cleared up until 24 hours later.

The secret was a bill due to be announced on Friday the 16th. It provided for indemnification of the families of 144 left-wing political militants who had disappeared

during the military regime. Gen. Fernando Cardoso had whispered to the president that news of the bill had been leaked to the most conservative sectors of the Armed Forces—the so-called hard line—and that they were already organizing protests against the decision. That bad news was the detonator setting off Itamar's explosion. The president had encountered many difficulties trying to provide a final solution for the case of the political protesters who had disappeared. In the beginning, when he announced to the military ministers his intention to send a bill to Congress providing for the payment of indemnification to the families of those who had disappeared, there was resistance. Using a great deal of diplomacy, Itamar calmed the military ministers. When the draft bill was ready, it was attacked by Minister of Finance Eliseu Resende, who was alarmed by the cost of the indemnifications. The chief of the Civilian Household, Henrique Hargreaves, and the general counsel of the Union, Jose de Castro Ferreira, both members of the Juiz de Fora group, also opposed the idea for political reasons. They feared a negative reaction by the Armed Forces.

Itamar nevertheless decided to move ahead. On that Wednesday, Mauricio Correa discussed the final details with him. The president decided on the amount of the indemnifications, which were to range from two to three monthly wages and were to be paid by the Union through the Ministry of Social Security. On Thursday the 15th, the minister and the president were still saying nothing about the scolding that had gone out over the air to the television screens of 80 million viewers. At 2035, Itamar left Planalto Palace with Mauricio Correa at his side. "There are no quarrels between natives of Minas Gerais," he told the same reporters who had documented his fury 24 hours earlier, and he added: "The matter which the minister brought to my attention was too complex. An explosive matter. Putting an economist together with a jurist results in an atomic chain reaction."

A short fuse is one feature of Itamar Franco's style of politics and, now, of his way of governing the country. On Tuesday the 6th, for example, he exploded in his office upon being informed by Planalto Palace's deputy press adviser, Fernando Costa, that the president of the National Congress, Senator Humberto Lucena (PMDB [Brazilian Democratic Movement Party], Paraiba), had announced that the administration was going to launch a "center-left economic plan" after the plebiscite on 21 April. He shouted angrily: "You call Lucena right now. I want time on a national network to deny this." Humberto Lucena, who is the father of Lisle, Itamar's former girlfriend, received a scolding. "By saying things like that, you will end up doing tremendous harm to the country," the president admonished him by telephone. Minister Eliseu Resende, who was in the office and heard the conversation, persuaded Itamar that it was not necessary to schedule time on a national radio and television network. An official denial would be sufficient. The president took his advice.

Since 2 October of last year, when he first sat in the chair in the office on the fourth floor of Planalto Palace, Itamar has shown the country that the show-biz politics cultivated by Fernando Collor is being replaced by the marketing of the common man—the individual who makes it a point to be and appear to be a legitimate representative of the middle class. With his mother Italia ill and consuming a great many medicines, he immediately complained of "high prices" and started a fight with the pharmaceutical industry. In another reaction typical of the citizen who feels betrayed, he publicly condemned former Minister of Finance Gustavo Krause, who had authorized an increase in fuel prices without consulting him first. What was more, Krause had done so in the dead of night. At the same time that he was beginning to impose his style and assert his authority as president, Itamar was also refusing to provide the population with a plan for government. "I am temporary. There is a president who has been removed from office, and because of that, it would not be ethical to announce a plan for government," he argued. But to his closest associates such as Mauricio Correa, Henrique Hargreaves, Mauro Durante, and Jose de Castro Ferreira, Itamar did not conceal his uncertainty. "What if the impeachment is not approved by the Senate? We will all go back to the Office of the Vice President," he pointed out.

Upon being confirmed in office on 29 December, when Collor was removed for good, Itamar decided to wear the presidential badge in earnest. "I was temporary for three months. I have really been president for only two and a half months," he confided to a group of 10 congressmen visiting his office on 25 March to discuss the matter of political missing persons. During that period, he changed his behavior. At first he governed with the door to his office open, and he rarely granted an interview without the presence of one of his friends from Juiz de Fora. He decided in February that any official wishing to visit him would have access to his office only after being announced. He also decided to increase his privacy by moving his secretaries away from the waiting room. "After catching the streetcar on the run and being pushed into the administration by the forces responsible for the impeachment, Itamar is beginning to mature as a ruler," says Deputy Fernando Lyra (PDT [Democratic Labor Party], Pernambuco).

One proof of that maturity is the fact that the president has chosen to establish better relations with the press. Itamar does not like the importunity of journalists and detests having his privacy invaded, but he has realized that he will not have some measure of peace unless he is accompanied on his trips by advisers. He therefore announced on Monday the 12th that journalist Francisco Baker, his spokesman, would accompany him whenever he was traveling. His public relations team, coordinated by Heitor Sales, is also implementing a plan for distributing news via satellite to 300 newspapers in the interior, 250 radio stations, and 73 television stations affiliated with National TV. As a result of the

president's decision not to let criticism go unanswered, ministers are being called on to participate in the program "Tomorrow's Journal," which is broadcast at 2220 on the network of government stations and gets a zero audience share as measured by Ibope. "The rule is complete transparence and immediate answers. That is why we are using the program," Heitor Sales explains.

Itamar is a meticulous president who likes to question his ministers to the point of exhaustion. The result is that before meetings with him, Minister of Foreign Affairs Fernando Henrique Cardoso and Minister of Social Security Antonio Britto, two of his favorites, are in the habit of simulating the weekly examination by rehearsing with their advisers. Faithful to the Minas Gerais saying that "God gave man one mouth with which to say little and two ears with which to listen a lot," Itamar is in the habit of making decisions after listening to several advisers. Former Minister of Finance Gustavo Krause used to criticize that style by saying that "it borders on assemblyism."

Although he tries to be extremely careful, the president frequently yields to his impulsiveness. On Tuesday the 13th, for example, he received Eliseu Resende in his office at night. The minister was concerned because the president had called a cabinet meeting without setting a date. "I need for you to set a date because this is causing a lot of speculation regarding the dollar, and the Central Bank has had to intervene in the market to halt the rise," Resende told him. Itamar then chose the 24th, after which he called his spokesman, Francisco Baker, whom he asked to announce the date of the meeting to reporters. "You must also say that the speculators should take care because they will not lose anything by waiting," he ordered. Minister Eliseu Resende became alarmed. He suggested: "Mr. President, it would be better not to do this in that tone because you may create a lot of expectation in the market." Itamar realized that he was committing a strategic error and backed down. But not without first cursing the speculators in the financial market.

Unlike the majority of Brazilians, who are expecting him to solve the country's problems, the president seems convinced that he heads a transitional government whose opportunities for achieving anything are limited. For example, he now talks about attempting the "development that is possible" and putting the house in order. "The administration's apparent timidity results from the monstrous size of a broken-down administrative machinery," says Deputy Fernando Lyra. In his opinion, one positive feature of Itamar's style is the latter's perseverance and determination to get things right. Deputy Jayme Santana (PSDB [Brazilian Social Democracy Party], Maranhao) agrees: "He has chosen to put the house in order and has begun to accord special treatment to government employees, who are the inhabitants of that house. The duo consisting of Barelli (Minister of Labor Walter Barelli) and Erundina (Luiza Erundina, secretary of federal administration) has been winning successive victories. It has won the 33-percent increase and now it is obtaining a monthly adjustment." Santana cites the case of the political missing persons and the decision to support government employees as evidence that Itamar is not slow in making decisions. "Things were worse under Sarney," he recalls. On Wednesday the 14th, Itamar decided to speed up the process of filling second-echelon vacancies in the administration. He has given Minister Hargreaves express instructions to that effect. And he has started thinking about a possible cabinet reshuffle.

Averse to parties, empty chatter, and formalities, Itamar does not like to travel or to waste a lot of time on international affairs. He trusts Minister Fernando Henrique Cardoso, who has been trying to make him change his mind. Doing so is a tough job. To this day, the president has not sought direct contact with Bill Clinton, his counterpart in the United States. And he has talked to Mexican President Carlos Salinas only enough to become acquainted with the Mexican privatization program and the social programs for combating poverty. On the other hand, he is very frequently in contact with the mayor and political leaders of Juiz de Fora.

Replacements in Sight

There are ministers who are going to lose their jobs: President Itamar has started putting a cabinet reshuffle together. No names have yet been revealed, and even Itamar is uncertain as to the extent of the shakeup, but his objective, obviously, is to strengthen the administration's base of support. To do that, he wants to make the Popular Party (PP), Federal District Governor Joaquim Roriz, and former Parana Governor Alvaro Dias part of his team. The PMDB is the president's other target. He wants to give that party more space within the administration, and his friends are already consulting Governor Luiz Antonio Fleury Filho about individuals who might be brought into the first echelon.

The process of putting new alliances together intensified on Wednesday the 14th. At noon, former President Jose Sarney had lunch at Planalto Palace. In the afternoon, Roriz, escorted by Ambassador Jose Aparecido, also appeared at Planalto Palace for the innocent purpose of praising Itamar. When Sarney met Roriz on the way, he told Itamar in a loud voice: "You must have the help of Alvaro Dias and Roriz." And from the looks of things, Itamar will. On the other hand, the president may dispense with the services of Minister of Health Jamil Haddad, Minister of Agriculture Lazaro Barbosa, and one PSDB minister.

* Congressmen Surveyed on Constitutional Reform

93SM0244A Sao Paulo VEJA in Portuguese 21 Apr 93 pp 80-82

[Article: "The Thinking Is Different"]

[Text] *A poll of 417 congressmen indicates that the constitutional revision is going to deregulate the economy and unburden the state.*

Five years after the Constitution was promulgated, the Congress that wrote it wants to take a knife to it with the hands of a butcher. Between August 1992 and last February, the research institute Who Marketing Consulting and Information interviewed 372 deputies and 45 senators to learn which ideas each of them will support during the constitutional revision this October, and the result is the opposite of what was expected. The poll, which was commissioned by the Inter-Union Department for Congressional Advice [DIAP]—the same DIAP that graded the members of the Constituent Assembly in 1988 on the basis of union interests—reveals the possibility of a legal transmutation in our country. The congressmen do not want to change everything, but they are prepared to reverse some of the Constitution's most sensitive provisions. They believe they are going to modernize the text of the Constitution and, in the process, improve the country.

"No change is going to guarantee a solution to the short-term problems," says Deputy Jose Serra (PSDB [Brazilian Social Democracy Party], Sao Paulo). "But being in harmony with the world situation is better than having a fanciful view of reality." That intention to find formulas more suited to Brazil's needs is the direction being indicated by the poll's conclusions. On specific issues, the poll reveals an unmistakable willingness to replace protectionist formulas with a model for relationships with the world economy closer to that supported by Deputy Roberto Campos of the PPR [Progressive Renewal Party]. That means facilitating the entry of new foreign investment, restricting the Union's monopoly in sectors considered strategic (such as petroleum), and reducing state expenditures where private enterprise can exhibit more agility and competence while also being less wasteful. On a general question—that of how extensive the revision should be—over half of those polled said they wanted a broad reform of the Constitution rather than just a retread aimed at reflecting the results of Wednesday's plebiscite or implementing a major tax revision.

How Extensive Should Constitutional Revision Be?

Answer	Percent
Broad, general, and unrestricted	55
Restricted to form and system of government	25
Other answers	20

How Congressmen Define Themselves on Economic Issues

Answer	Percent
Neoliberal	5
Liberal	20
Social democrat	56
Communist	2
Socialist	17

Reaction—The more one examines the outcome of the voting in the [1988] Constituent Assembly, the more one sees clear evidence of a change in thinking in Congress. In 1988, 499 congressmen approved Article 171 of the Constitution, which defines the concept of a Brazilian company, and there were only 16 opposing votes. That article from 1988 includes the rule that Brazilian companies may be granted special incentives for growth and that they have priority when it comes to supplying products for the government. The idea was to encourage domestic production. The result was that foreign capital lost interest in a country whose very Constitution promises to discriminate against it. "That is a subject that we must discuss again," says Senator Eduardo Suplicy of the Sao Paulo PT [Workers Party]. He is a living example of the fact that the confrontations between Right and Left five years ago will not be repeated with the same intensity in this October's revision. Like him, 45 percent of those interviewed by the Who institute want to revise Article 171.

When the Constituent Assembly's Committee on the Economic Order began voting, the issue of agrarian reform gave rise to an exchange of blows between representatives of the Left and the Right. We learn from the DIAP's poll that 90 percent of the congressmen now favor prior indemnification for expropriated property and that only one-third of Congress wants to debate whether payment should be made solely in the form of instruments of agrarian indebtedness or in cash. "When the Right has the gall to propose privatization of the Armed Forces and the Left supports even the nationalization of the Atlantic Ocean, the loser is Brazil," says Sao Paulo Deputy Jose Genoino, another PT member committed to taking constitutional revision along paths more airy than those followed in 1988. That attitude brings a guaranteed reaction:

"No one can reverse the gains made in the social area," says no less a person than Deputy Ricardo Fiuza (PFL [Liberal Front Party], Pernambuco), who scored 0.25 in the DIAP's assessment. "We are going to focus our efforts on revision of the economic order." Among the high points reflecting that general change in attitude will be the debate and vote on the Union's monopoly in strategic sectors. "I feel that the state must continue to be involved in the exploitation of petroleum, but I am totally opposed to a continuation of the monopoly," says Deputy Rita Camata (PMDB [Brazilian Democratic Movement Party], Espirito Santo). In the 1988 Constituent Assembly, she was a supporter of the monopoly along with 440 other members of Congress. Now only 40 percent of Congress takes that stand, while another 40 percent wants to open gaps in the monopoly and 17 percent is calling for its extinction.

Protection for Firms With Domestic Capital

Protection should be:	Percent
Restricted or eliminated	45
Kept as it is	42

Other answers	13

Monopoly on Petroleum, Telecommunications

Stand	Percent
Opposed	17
In favor	40
Want changes	40
Other answers	3

Prophecy—The future revisers of the Constitution also show good will in wanting to free the state's hands and coffers of the shackles imposed five years ago. Nearly 40 percent of those interviewed feel that social security should be handled in partnership with companies outside the government, and nearly 30 percent say it should be privatized. In 1988, there were no votes against the assistance model concentrated, directed, and subsidized by the government, and the result has been a deepening of the financial hole and a worsening of social security fraud. Even the fact that 65 percent of Congress was replaced in the 1990 elections cannot explain such a change, since the party platforms are the same as before, and so are the main leaders and the country's priorities. "What has changed is the world," says Sao Paulo Deputy Delfim Netto (PPR). "And Congress was bound to change with it."

Between the 1988 Constitution and this October's revision, we have had the loss of a Berlin Wall and a Soviet Union, the creation of a new European Community, and the further growth of the Asian tigers. There is also a Brazil less concerned with taking revenge on the dictatorship and even a more logical interpretation of a constitution's objectives. "It is unacceptable for any group to try to turn the constitutional text into its own political platform," says Deputy Luis Roberto Ponte (PMDB, Rio Grande do Sul). In 1988, President Jose Sarney claimed that the Constituent Assembly was putting Brazil on the road to ungovernability by trying to combine unachievable social generosity by the state with a package of obstacles to economic development. His forecast came close to being a prophecy. We have had inflation totaling 80 percent per month, two more presidents, and half a dozen ministers of finance since then. Only the crisis has remained.

Higher Taxes for Those Earning More

Answer	Percent
Opposed	2
In favor	78
Favor single tax	15
Other answers	5

Independence of Central Bank

Answer	Percent
In favor	70
Opposed	19
Other answers	11

Interest ceiling—The effort to get in tune with the rest of the world has resulted in near consensus on the idea that the Constitution is worth nothing as a package of good intentions and that it is much more useful when it stays within the limits of reality. The fact that more than half the laws necessary for implementing the 1988 Constitution have not materialized has as much to do with the crammed agenda of Brazilian politics as it does with the amount of utopia built into many of the measures. "The best and most imaginative plans are worth nothing unless they can be put into practice," says political scientist Francisco Weffort of the University of Sao Paulo. In Congress, according to the poll results, preparations are being made for a constitutional revision that may also amount to a partial cleanup of the excesses in the original text.

Stands on Political, Social Issues

Stand taken	Percent
Political issues:	
Favor parliamentary system	66
Favor reelection of president	57
Favor restricting the scope of provisional measures	55
Favor mixed majority vote by district	57
Social issues:	
Retain the rule of job security after two years in civil service	45
Privatization or comanagement in social security	69
Place restrictions on right to strike	56
Workers' rights for domestic employees	53

Political doldrums—"The ideal Constitution is one that enables both a socialist and a liberal to pursue their plans for government without becoming an insurmountable obstacle," says Deputy Francisco Dornelles (PPR, Rio de Janeiro). Among other details of the Constitution that have not worked out, Dornelles calls for eliminating the 12-percent ceiling on bank interest rates. "I would support that idea even if I could insert an article banning a ceiling," he says. His suggestion has the support of 30 percent of the congressmen, according to the poll commissioned by the the DIAP. Contrary to what one might think at first glance, the deputy will have less trouble convincing those opposing his ideological convictions of the merits of that idea than he will persuading his own allies. The fact is that defense of the 12-percent rule has more support among those calling themselves liberals than it does among the social democratic or center-left groups.

The Who institute's poll also discovered that there is a wide margin of support in Congress for collecting higher

taxes from those who earn more and a strong inclination to extend to domestic employees such workers' rights as the guarantee fund, unemployment insurance, and payment for overtime. There is at least one indication that those responses were not made with the populist pen usually used to fill out survey forms of this kind. To zero in on that possibility, the DIAP identified all 417 of those interviewed and obtained permission from each one to make their responses public.

Their identification also increases the credibility of unpopular responses on topics that have been shaking up the country's routine. Over 50 percent of those interviewed said, for example, that they were willing to limit the right of employees in essential services to strike—at the very least by establishing fines for unions and labor leaders that do not maintain an adequate level of service.

In the political area, the revision to be carried out by a Congress whose members mostly favor a parliamentary system promises to please the presidentialists from the standpoint of the president's term of office and to increase congressional control over the power of the Office of the Presidency. Nearly 60 percent of the congressmen are in favor of allowing reelection of the president of the republic. That is slightly less than the percentage of congressmen wanting to make it less possible to reissue provisional measures rejected by Congress. Another presidential benefit threatened with banishment is the secret vote by members of Congress when it comes to considering presidential vetoes. That provision makes it possible for the president of the republic to gain silent allies in Congress even when he is in the political doldrums. Without a secret vote, he will be hostage to unpopularity itself.

Chile

Government Rejects 'U.S. Pressure' in Airlines Conflict

PY0306124093 Santiago Radio Cooperativa Network in Spanish 2300 GMT 2 Jun 93

[Report by Marcela Torrejon]

[Text] The government has rejected the U.S. pressure regarding the airline conflict.

Sergio Gonzalez, the transportation undersecretary and acting transportation minister, pointed out that U.S. aeronautics officials have not reviewed carefully the Chilean stance on this issue. The Chilean stance notes that the U.S. airlines—United Airlines and American Airlines—would compete unfairly, violating the 1989 open skies treaty, if they increase their flight frequencies and market shares to Miami.

This was not fully heeded during a meeting with the U.S. aeronautics officials in Washington. Transportation Under Secretary Sergio Gonzalez explained that U.S. aeronautics officials claim that it is not appropriate for the state to become involved in deciding on an unfair competition issue. He said:

[Begin recording] We believe the short time allocated for these meetings—just a couple of days, a good portion of which is used to make presentations—is not enough for U.S. authorities to fully investigate the figures.

We believe our agreement with the United States is a very open, very liberal agreement. One of its basic presuppositions in that competition between the airlines of the two countries must be fair. [end recording]

Another stumbling block that the Chilean delegation encountered in Washington was the way in which the temporal freeze against the U.S. airlines, which was approved by the Chilean Anti-Monopolies Commission [Comision Resolutiva Anti-Monopolios], has been taken in the United States.

Transportation Under Secretary Sergio Gonzalez pointed out that it was very clearly explained to U.S. authorities that the Anti- Monopoly Commission, to which LAN-Chile [Chilean National Airlines] an Ladeco [Chilean Airlines] resorted, is absolutely independent from the government and that it functions as a court.

U.S. pressure then surfaced, suggesting that their airlines should also resort to the U.S. Department of Transportation. The latter might punish LAN-Chile and Ladeco, preventing them from flying in U.S. skies.

If it reaches this point, the Chilean Government will maintain its stance, favoring our national airlines and reiterating its position and figures, confirming the attempted unfair competition by the U.S. companies.

UDI Leader Views Government Handling of Recent Crisis

PY0306190893 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Jun 93

[Text] Jovino Novoa, presidential hopeful and president of the UDI [Independent Democratic Union], has asserted that the Army is currently the target of attacks and of many unfounded charges by political leaders.

Novoa thus referred to the tense atmosphere that prevails in the civilian-military relationship following the unusual movements at the Armed Forces headquarters last Friday, 28 May.

After a meeting at La Moneda with Vice President Enrique Krauss, with whom he discussed the subject, Novoa said that this tense atmosphere could be dispersed through the so-called expiration law [ley de punto final]. He added that the events of last Friday contributed to the military unrest regarding some legal proceedings linked to the amnesty law [ley de amnistia].

He emphasized that the interpretation by the government of the amnesty law has influenced court authorities.

[Begin recording] [Novoa] This is another subject that affects Armed Forces' officers and they have a legitimate right to be concerned over the way some cases, which fall under the amnesty law, are being handled.

[Unidentified reporter] [question indistinct]

[Novoa] There is a lot a government can do and, as we have stated, the president of the Republic's interpretation—which he has expressed publicly on several occasions—has to some extent influenced Court decisions. [end recording]

Novoa noted that the subject of the civilian-military relations, after 17 years of a military government, is obviously an especially sensitive subject. It must, therefore, be handled prudently. He added that the UDI's main criticism regarding the way the government handled the subject refers to certain problems that could have been solved before and not after what happened, thus avoiding a climate of unrest in the country.

Amnesty Bill Rejected in Congress as Reaction to Conflict

PY0206120093 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 2 Jun 93

[Text] The first repercussion of last Friday's military movement took place today in Congress. National Renewal [RN] Senator Sergio Romero proposed a new amnesty law, but the idea was immediately rejected by another senator of the same party.

[Begin recording] [Romero] I believe a new formula to end this is absolutely feasible, to solve once and for all what happened under the previous government and what is expected in the future. I think the country has asked us to thoroughly consider this matter.

[Reporter] An amnesty law?

[Romero] Why not? It is possible. It is an alternative I have already proposed. The other day I was considering the case of Uruguay, for instance. Uruguay has an amnesty law. Other countries prefer to conduct a long-term study. This is another alternative. Hypothetically an amnesty law would be adequate because it implies being able to look forward, which unites us, and not looking backwards, which restricts us. But proposing a similar law in the current pre-electoral period could reopen the wounds we are trying to heal. I personally believe this is not the appropriate time to propose a bill of this nature.

[Reporter] Senator, you are one of the congressmen who knows about the relations between government and the Army. Is this subject being discussed?

[Unidentified senator] This subject is not being discussed. This is being discussed by the people but it has not being discussed recently in military-civilian relations. Obviously this is not the best time to propose it for public debate. [end recording]

Military's Demands, Mobilizations Discussed

PY0306220193 Madrid EFE in Spanish 1638 GMT 3 Jun 93

[Report by Nelson Sandoval Diaz]

[Text] Santiago de Chile, 3 June (EFE)—Political and press sources stated today that the purpose of military mobilizations in the last few days was to obtain a law "of expiration" [punto final] for human rights violations and an agreement that would guarantee the institutional structure designed by General Augusto Pinochet.

According to what was reported by several newspapers, which cite military sources, the Army is concerned about the reopening of some 800 lawsuits involving Armed Forces members, while President Aylwin, by contrast, has pardoned or shortened sentences for leftists who took up arms against the military regime (1973-1990).

Even though the majority of these lawsuits involves human rights violations, the most outstanding one concerns "Pinochecks," and refers to the Army's purchase of an arms factory that entailed the payment of $3 million to one of Gen. Pinochet's sons.

In light of this, the Army is interested in having Congress pass a new amnesty law that would overcome the shortcomings of the amnesty law in force, promulgated by Gen. Pinochet in 1978, that have made it possible to reopen the aforementioned suits. Some right-wing congressmen already have put forward some motions to that effect but have met fierce opposition.

Notwithstanding this, political analysts from the ruling Coalition of Parties for Democracy [CPPD] told the EFE news agency that Gen. Pinochet's No. 1 concern is to be able uphold the institutional structure he imposed during his term of office, which the current administration has tried to partially modify in order to consolidate democracy.

With this goal in mind, the analysts added, Gen. Pinochet is trying to work out a governability agreement that would guarantee that the Armed Forces' upper echelons and appointed senators would remain in their posts and that the current makeup of the constitutional court and the electoral system would be maintained during the next administration, which will in all likelihood be a CPPD one.

Rightist parties need one-third of the votes in Congress to stop—as they have done in the current term—the government's initiatives in this regard. The military fears that the rightist sector, whose unity is in the middle

of a serious crisis, might fail to keep one-third of the congressional seats in the elections to be held in December.

Commentators believe that Pinochet, 78, might condition his possible retirement before 1997—the law sets forth that he should retire that year—on that guarantee.

Meanwhile, the government has considered that the situation that began on 28 May with the "military display" in downtown Santiago is over, noting that the military's "institutional concerns" have been met and denying there were political negotiations with the Army.

The authorities have refused to give details of such concerns on the grounds that they are internal matters "that should not be debated in public," Vice President and Interior Minister Enrique Krauss has said.

In fact, military activities have been normalized, and there are no more men dressed in military fatigues in Army units, whose members have again dressed in their traditional gray street uniforms.

According to EL MERCURIO, the government and Army have reached an agreement that must be endorsed by President Patricio Aylwin, who will meet Gen. Pinochet next weekend, upon returning from Russia.

Under the agreement's terms, the government will postpone consideration of the pardon requests submitted by several people who were sentenced for their involvement in the attempt on Gen. Pinochet's life in 1986. For their part, the military will respect the judicial branch's autonomy in the trials for human rights violations.

Concerning the modification of the Armed Forces' charter, which gives the president the power to remove officers, the bill will be studied in 1994 by the new Congress, whose members will be elected in December.

The sources added that even though the military voiced its displeasure with Defense Minister Patricio Rojas and War Under Secretary Marcos Sanchez, it did not demand the resignation of the two officials.

* Aylwin Creates Public Security Directorate

93SM0257A Santiago EL MERCURIO in Spanish 21 Apr 93 pp A1, A12

[Text] After extended consideration in the National Congress President Aylwin signed into law on 20 April at La Moneda Palace the bill establishing the Directorate of Public Security and Information. The bill has been called a milestone expressing the concern of the government for the security of its citizens.

The new organization has the task of formulating policies concerning the prevention of and legal proceedings against terrorism and crime. It will collect and process information to produce finished intelligence in the field of domestic, public security and will prepare studies and background notes which the Ministry of the Interior may require, to coordinate properly the work of the Carabineros de Chile [paramilitary police force] and the Investigative Police.

President Aylwin appointed Dr. Isidro Solis Palma as the first director of the organization. He is an attorney and had previously served as the national director of the Gendarmeria [Gendarmerie]. Dr. Solis Palma stated that he will perform his duties without consideration of political affiliation.

The law was signed at 1200 on 20 April at a brief ceremony attended by cabinet ministers, under secretaries of government ministries, members of the National Congress, and members of the high command of the two police organizations.

Functions

The Directorate of Public Security will be charged with providing the Ministry of the Interior with information, studies, analyses, and intelligence evaluations which may be required so that the government can formulate policies and take specific action against terrorist and criminal activities which affect public order or domestic, public security.

The directorate will be a centralized, public service body which will be managerial, technical, and specialized in character. It will come under the minister of the interior. It will serve as an organization coordinating information related to public order, domestic, public security, and intelligence appreciations.

Through the Ministry of Defense it will be in contact with the intelligence organizations of the armed forces to obtain information concerning public order and domestic, public security which they may have knowledge of and will provide information to these organizations which it may be able to obtain in the course of its activities of a domestic security nature which may fall within the area of responsibility of the armed forces.

It will coordinate the exchange of information of material originating with the directorate among the various public organizations which collect and hold it. It will develop and maintain a centralized data bank on matters appropriate to its area of authority.

In the area of its objectives and functions the Directorate of Public Security and Information will act strictly in accordance with respect for the rights and guarantees contained in the constitution.

Committee of Intelligence

To carry out the objectives described above, a Consultative Committee of Intelligence will be established, made up of the minister of the interior, who will preside over it; the under secretary of the interior; an under secretary of the Ministry of Defense (who shall be appointed by the minister of defense); the director of public security and information; the deputy chief of staff of national defense; and the directors of intelligence of

each of the branches of the armed forces, as well as the directors of the Carabineros de Chile and the Investigative Police.

This Consultative Committee of Intelligence will meet at the request of the minister of the interior, and its proceedings will be secret. The members of this committee will provide the minister of the interior with information which they may have available on matters within the jurisdiction of the directorate.

The directorate will have an authorized staff of 92 officials (the director and his immediate associates, professional staff, technicians, administrative personnel, and clerical employees).

The director of public security and information will be under the exclusive supervision of the president of the Republic, and the chiefs of division and of department within the new organization will be under the exclusive supervision of the director.

All matters, data, background, and information in the possession of the directorate or of its personnel, whatever the position of the person concerned or his or her legal status within the service, either those which they learn of in the performance of their duties or in connection with them, as well as reports which the service shall prepare, "will be considered secret for all legal purposes."

Violation by personnel of the directorate of the obligation to maintain the security of this information will be cause for immediate suspension of such persons, who will be subject to disciplinary action, including dismissal from his or her position, without prejudice to appropriate prosecution for the commission of aggravated, criminal actions.

The obligation to maintain the security of information learned in the course of duty and the aggravated responsibilities for violating such security will continue to apply to all personnel of the directorate, even after they leave their employment in the organization. (This provision shall not be an obstacle to providing data and information which both houses of the National Congress shall request.)

Official Concern

The only speaker at the ceremony at which the bill was signed into law was Minister of the Interior Enrique Krauss, who stated that the establishment of this new organization is evidence of the concern of the government to ensure the tranquility of its citizens and is a milestone in the process of modernization in the area of public security.

Krauss emphasized that the government has made wide-ranging and constant efforts to improve in an objective way the security of the Chilean people. In this area he described the efforts directed toward modernizing police infrastructure, judicial processes, and the system of housing and rehabilitation of persons under detention.

In addition to stating that intelligence tasks play a major role in the protection of the security of persons and democratic stability the minister of the interior pointed out that when the present government leaders assumed office, they found that they had no information available to prepare analyses of public security and no means of preparing a quantitative or qualitative appreciation of these matters.

He said that this situation has been resolved because since then it has been possible to accumulate an adequate body of knowledge regarding illegal conduct, behavior, and the national and international links and names of those responsible for such illegal acts. All of this has made it possible to improve the performance of the efficient and self-sacrificing work of the Carabineros de Chile and the Investigative Police. He emphasized that all of this information belongs to the state and will be available to succeeding governments.

Later on, he explained that the first and essential action taken by the government was to turn over intelligence work concerning the protection of domestic, public security to the security and police services. Krauss indicated that the new Directorate of Public Security and Information is a basic instrument intended to formulate policies for the prevention and legal prosecution of terrorism and crime. Nevertheless, he made it clear that the organization will not have operational functions because legal requirements reserve such duties to the Carabineros de Chile and the Investigative Police.

He emphasized that the new organization "is the apex of a true system of intelligence in the context of the internal security of the country. It will receive and process information related to internal, public security which various state bodies collect in performing their institutional functions. In particular it will advise the minister of the interior on the performance of his functions as the coordinator of police forces. It will prepare and propose all of those measures which the state should develop in the field of internal, public security."

Isidro Solis

Following the ceremony at which the new law was promulgated, the minister of the interior officially announced that the president of the Republic had ordered Dr. Isidro Solis Palma to be the first director of the new organization.

Doctor Solis Palma had previously served as chief of the Juridical Division of the Ministry/Secretariat General of the Presidency and national director of the Gendarmerie. He is a member of the Radical Party.

When asked about his appointment, Isidro Solid stated on 20 April at La Moneda Palace, "This is a sign of confidence by the government in an extraordinarily delicate area."

He concluded: "The maintenance of public order and responsibility for the security of persons is one of the obligations which a state and government absolutely cannot avoid. I believe, as I assume this responsibility, that this is an extraordinary honor."

Reactions

Andres Chadwick, a member of the National Congress from the UDI [Independent Democratic Union] who attended the ceremony at which the new law was promulgated, stated that the establishment of the Directorate of Security is a positive step. However, he thought that a great deal remains to be done in this area.

Chadwick stated that there were gaps and errors in the way in which the government has dealt with the matter of public security. In particular he considered it essential "to deal with criminal activity with a politically decisive and strong attitude and, especially in the case of terrorism, to stop granting pardons."

He emphasized that granting presidential pardons to terrorist criminals is a bad sign for the fight against terrorism.

Finally, he expressed the opinion that action against crime during the past period in office of the military government "was extraordinarily effective" because "the country did not feel that it faced a situation of insecurity."

Domingo Arteaga, secretary general of the Independent Democratic Union, pointed out in this respect that "It looked like a very good sign to us that finally the government has decided to give proper priority to the problem of the security of the people. Better late than never."

Referring to the appoint of Solis, the UDI leader said, "I hope that he will be very successful in performing these new duties, since it is impossible to forget that under his leadership many detainees escaped from the prisons in our country—many of them guilty of political crimes."

Arteaga stated: "Rather than a prize for his work done in the Gendarmerie, this appointment seems to be a punishment, since now he will have the responsibility of helping to recapture the same prisoners who escaped from him."

In turn Alberto Espina, a member of the National Congress for Renovacion Nacional [National Renovation party], said that "Before expressing an opinion on how a person will handle so important a function as that involving the security of our citizens, we should wait a while to evaluate his work in the light of specific developments."

The member of Congress said: "Having made this reservation, I believe that Isidro Solis is a very capable and talented person who should handle this job in the best way possible. Furthermore, he will have the fullest support from Renovacion Nacional."

Background

The proposal to establish the Directorate of Public Security and Information has been ready for promulgation as a law since 23 March, when the last legislative action was taken in the Senate, unanimously approving the report of the Conference Committee of the Senate and Chamber of Deputies to resolve differences between the two houses of Congress on the matter.

Passage of the law completed legislative consideration which took more than one year and was part of the plan against violence which President Aylwin announced months after Jaime Guzman Errazuriz, a senator and leader of the Independent Democratic Union, was murdered by a group of terrorists belonging to the Frente Manuel Rodriguez [Manuel Rodriguez Front].

Initially, the establishment of a Sub Secretariat of Public Security and Information in the Ministry of the Interior was proposed. However, this idea did not receive much support, and the government withdrew the proposal on 12 May 1992, sending another proposal to Congress, which was modified by both houses.

Although there were differences in the versions of the law approved by the two houses of Congress, finally the "consensus formula" was adopted, which is reflected in the text of the law as promulgated.

* Foreign Investment Funds Diversify Holdings

93SM0257B Santiago EL MERCURIO in Spanish 19 Apr 93 pp B1, B3

[Text] The 17 foreign investment funds operating in Chile have been diversifying their investment portfolios into publicly owned corporations, expanding their interests in several areas, apart from the traditional fields of electricity and telecommunications.

At the end of February 1993 in the case of firms in the electricity sector, foreign investment funds owned 4.18 percent of ENDESA [National Electricity Company, Inc.], 7.32 percent of CHILGENER [Chilean Electricity Generating Company], 8.62 percent of PILMAIQUEN [expansion not given], 5.38 percent of ENERSIS [Electrical Energy Systems], and 2.82 percent of CHILQUINTA [expansion not given].

Meanwhile, in the telecommunications sector foreign investment funds owned 3.41 percent of ENTEL [National Telecommunications Enterprise] and 4.96 percent of TELEFONOS-A [Telephone System A].

Although, in fact, the shareholdings in these areas do not amount to a significant part of the value of these companies, in the case of the foreign investment funds they represented a substantial portion of the capital which they have invested in shares traded on the stock market.

For example, as of the end of February 1993 the foreign investment funds had about 26 percent of their capital in

the electricity sector. That means about 113,414,000,000 Chilean pesos out of the total of 436,207,000,000 pesos which they had brought into the country by the end of February 1993.

Meanwhile, in the case of the telecommunications sector as of the end of February 1993 the foreign investment funds had about 10 percent of their resources in the CTC [Chilean Telephone Company] and ENTEL, which amounts to about 43,620,000,000 pesos of the total investment portfolio which they manage in Chile.

Furthermore, it has been noted that these foreign investors have decided to increase their participation in the industrial sector in companies producing consumption goods, such as Embotelladora Andina [Andes Bottling Company], where they own 14.22 percent of the stock; Vina San Pedro [San Pedro Vineyards], where they have 6.83 percent ownership; and Laboratorio Chile [Chilean Laboratories], where they hold 6.72 percent of the stock.

In the case of manufacturing industries they also have a significant share of CTI [expansion not given], with 11.18 percent; and in MASISA [expansion not given], where they own 8.38 percent. In turn, in the construction industry they own 4.13 percent of the Pizarreno Company.

In the health and social insurance sector they have a substantial investment in BANMEDICA [expansion not given], where the foreign investment funds own 10.85 percent of the stock.

* Public Sector Growth Rates Slower Than Economy

93SM0257C Santiago EL MERCURIO in Spanish 8 Apr 93 p B8

[Text] Valparaiso—Minister of Finance Alejandro Foxley said on 7 April that the implementation of different aspects of government personnel policy has made possible a sustained growth in real salaries since 1990. It is projected that there has been a real growth of 25 percent between 1989 and 1993.

He said that this figure is larger than the projected growth in wages in the private sector during the same period. For example, he said that employment in the central government has grown at a rate of 2.7 percent annually since 1990.

He stated that the net increase in personnel in the central government during the period from 1990 to 1993 would amount to 9,406 employees, which represents an annual average of 2.7 percent. He said, "This figure is practically identical to the growth in employment on an overall, national basis during the same period, which indicates that the public sector will not increase its share of overall employment under present circumstances."

He stated flatly that this improvement in conditions of work and income of public employees "has not been growing, as some opposition figures state, due to a large increase in the bureaucracy. That is not true!"

He reported that when the present government entered office, the central administration had about 120,000 employees. He said that this figure has remained relatively constant throughout the past decade, especially if you consider the effect of transfers of personnel to municipalities and the transformation of some public services into autonomous corporations.

The figure given by Foxley includes only personnel from the civilian administration of the central government. It excludes personnel of the armed forces, members of the Carabineros de Chile [paramilitary police force] and of the Investigative Police, municipal employees, and personnel of services which have been changed into autonomous corporations.

The minister of finance stated that, despite the growing need for professional and technical skills resulting from economic development and technological progress, only 30 percent of central government employees are so qualified. He added: "Shortages of personnel have been reported in sectors such as health, the Gendarmerie and the Carabineros de Chile, as well as in investigative bodies."

Minister of Finance Foxley gave these figures and expressed these views when he appeared on 7 April before the Senate Finance Committee to testify regarding incomes policy in the public sector during 1993.

In a conversation with reporters he said that employment in the public sector has grown at a rate of 2.7 percent annually, in an economy which has grown by more than 6.0 percent annually.

He said: "Therefore, what can be stated categorically is that there has been an increase in productivity in the public sector which is not sufficiently appreciated by opposition figures, who always criticize what the government does."

He stated that the growth in employment in the public sector has been extremely moderate. Foxley added: "The increase has amounted to about 9,000 persons, 75 percent of whom—and this figure is very important—are working in the fields of health, education, and justice."

* CODELCO Postpones Radomiro Tomic Project

93SM0257D Santiago EL MERCURIO in Spanish 27 Apr 93 pp B1, B5

[Text] The development of the "Radomiro Tomic" copper mining project has been postponed indefinitely or at least for 1993 by CODELCO Chile [Copper Development Corporation of Chile], informed sources in the mining sector stated on 26 April.

The sources stated that this decision was made after the refusal by the Ministry of Finance to provide additional

resources or to authorize the corporation to increase its indebtedness. The corporation had specific plans for developing this project.

The sources recalled that the Ministry of Finance authorized a budget of $450 million for CODELCO in 1993. This total was considered insufficient by the corporation to develop the portfolio of projects which it had ready—as it pointed out on this occasion. Among the important projects involved were the replacement of equipment and materials, as well as programs for waste disposal which should begin to be implemented in the various divisions of the corporation.

In view of this development and during the first few months of 1993 conversations were held for the exclusive purpose of obtaining approval for an increase in the level of indebtedness which the corporation could incur. This would make it possible to develop the "Radomiro Tomic" mine.

The conversations were not successful. Ultimately, the Ministry of Finance did not approve an increase in corporation indebtedness. The ministry gave no explanation of the reasons for its decision.

As a result the project has been postponed for an indefinite period of time. The most feasible course of action to follow is to leave the matter to the new government which will enter office in 1994.

It should be pointed out that, up to the present, preliminary investments have been made on this project of about $20 million. These investments have been made in different studies to obtain an idea of the size of the copper deposits, which are located about 10 km North of Chuquicamata, in the Second Region of Chile.

The studies carried out so far anticipate that production from this mine would be in the range of 150,000 tons of copper metal annually, requiring an investment of $415 million.

The cost of production at the "Radomiro Tomic" mine would be about $0.35 per pound, compared to $0.63 at the Chuquicamata mine and $0.92 cents at the Andina mine.

Furthermore, the CODELCO Corporation has emphasized the favorable aspects of the project, expressing the view that the internal rate of return would be about 25 percent, which would make it possible to ensure that the investment made would be recovered in about three and one-half years.

Apart from the effect which the implementation of the project would have on the overall costs of CODELCO, the fact has been mentioned that the Corporation has proposed maintaining a level of production of 1.2 million tons of copper annually, amounting to about 14 percent of the world market for this mineral.

If the project is not carried out and does not begin to operate within the next five years, production of copper by CODELCO would fall by 35,000 tons annually, and it would lose the market share mentioned above.

Political Decision

Furthermore, sources consulted have stated that when the law establishing CODELCO was drafted, the directors of the company identified a series of areas for the modernization of mines then in operation. The "Radomiro Tomic" mine was one of these.

In these areas the CODELCO directors decided that the corporation would not enter into joint ventures with the private sector or turn these mines over to ENAMI [National Mining Enterprise], either free of charge or on a fee basis.

Therefore, it was pointed out, any proposal for the "Radomiro Tomic" mine to be turned into a joint venture with the private sector would require simple legislation to make it possible to cancel a decision made by the directors of CODELCO.

This is something which has been under consideration in CODELCO, although it is unlikely that it will happen, considering the strong resistance which the term "private sector" evokes in the company's powerful trade unions.

In any case these sources pointed out that a resolution of this matter would involve a largely political decision. It is considered unlikely that the present government would make such a decision. The matter will more probably be left for the next government to handle.

It was said that the matter has been discussed at length, considering that CODELCO has a portfolio of highly profitable projects which could very well be financed with resources obtained from the AFP [administrators of pension funds] or through the issuance of bonds.

Ecuador

Government Concerned With Underutilization of Credits

PA0306185193 Quito Voz de los Andes in Spanish 1200 GMT 31 May 93

[Text] The Ecuadoran Government is concerned about the underutilization of resources from foreign credits. Deputy Finance Secretary Sebastian Perez announced that a form had been created for use by agencies dealing with international credits. Perez believes that foreign resources are underutilized due to a lack of programming and the failure to implement annual budgets to complete projects. The government is analyzing the underutilization of foreign credits by state-owned organizations.

Officials Discuss Solutions to Debt Problem

PA0306221993 Quito Voz de los Andes in Spanish 1200 GMT 1 Jun 93

[Text] Finance Minister Mario Rivadeneira has reported that recent talks between the Ecuadoran delegation and the negotiating team have come closer to an agreement.

The mission that met in New York with representatives of creditor banks returned to Quito on 30 May after discussing alternatives to an overall solution to the debt problem within the Brady Plan. The Ecuadoran delegation emphasized our country's payment capacity and the elimination of the excessive debt problem.

Conversations will resume next week. The country is proposing the resumption of interest payments conditioned upon an overall long-term agreement

Paraguay

Trade, Credit Agreements Signed With Taiwan 28 May

PY0106234393 Asuncion ABC COLOR in Spanish 31 May 93 p 16

[Article by Luis Fernandez Lagrana, special envoy to the Sixth Sino-Paraguayan Economic Cooperation Conference held in Taipei 27-29 May]

[Text] After nearly around-the-clock negotiations, on 28 May the Republic of China [ROC] and the Republic of Paraguay signed an agreement whereby the former will grant our country a $20 million loan to counter the effects caused by payments of subsidies to the cotton industry. This loan has a 10-year maturity, a period of grace of three and a half years, and will pay an annual interest rate of 4 percent.

The ROC had already granted this credit in mid-1992, but for several reasons, including red tape, it did not emerge until now, following negotiations undertaken by Industry and Commerce Minister Ubaldo Scavone in that country. The terms of the loan agreement will have to be approved by Congress in order for the economic assistance to become a reality.

Commenting on this issue, Scavone pointed out that "this is a very important credit, as it will be earmarked for offsetting the government's expenditures on subsidies to the cotton industry."

Moreover, preliminary negotiations were conducted here on obtaining economic aid for Paraguay within the framework of an assistance program granted by the ROC Government. Initially, the latter will grant a $10 million loan to be allocated for small- and medium-scale enterprises, which will be allowed to borrow up to $200,000 each. Once this is implemented the Paraguayan Central Bank (BCP) will study the possibility of granting loans to private banks so that they may channel funds into companies.

Another achievement of the Sixth Sino-Paraguayan Economic Cooperation Conference was the granting of economic aid to equip 10 regional education centers with computers, which had been requested by Education Vice Minister Martina Cardenas. As for agriculture, it was possible to obtain funding for new cooperation programs for rural settlements—which are already partially funded by the ROC Government—so that each one can have some sort of agro-industry.

The ROC will also grant economic aid to the National Institute of Technology and Standards, to be earmarked for metrology and standards-related programs. Likewise, an agreement was signed with the Office for Small- and Medium-Scale Enterprises whereby Paraguayan experts will go to Taipei to study promotion mechanisms for these types of enterprises.

Scavone further stated that "progress has been made in furthering contacts with China Trust and other private banks," adding that "the aforementioned bank is that which has expressed greatest interest in establishing a branch in our country."

Scavone said: "We want a Chinese bank in Paraguay because it could be an excellent instrument for attracting Chinese investors who want to work in Paraguay and who are going to seek financial backing from that bank."

Besides, through the Overseas Cooperation Fund (OECF) the ROC Government will grant long-term credits to Chinese companies that want to settle in Paraguay and establish joint ventures [preceding two words in English] with Paraguayans. The financial aid that the OECF will give has already been granted.

Lastly, a much sought-after project by our country, namely an investment project by China Steel Corporation, will come true thanks to a credit of some $6 million granted by the OECF, together with a contribution of $12.8 million by Chinese private entrepreneurs and $1.8 million to be contributed by Paraguayan businessmen. This project has already been approved by the ROC Government. The only thing that remains to be done to implement this joint business venture is to find Paraguayan investors who are interested in entering into partnership with Chinese investors.

Peru

Fujimori Concludes Visit to Japan, Gets Support

PA0206225293 Lima Global de Television Network in Spanish 0100 GMT 2 Jun 93

[Text] President Alberto Fujimori's three-day unofficial visit to Japan has concluded with that country's political support and a $50-million contribution, which, added to other credits, amounts to approximately $300 million in economic support.

On his last day there, the Peruvian president was received by Emperor Akihito and Prime Minister Miyazawa.

On the third day of his visit to Japan, Fujimori was received at the Royal Palace by Emperor Akihito. The meeting lasted 30 minutes and was strictly private. Thus, there were no reports as to the contents of the conversation between the monarch and the Peruvian president. However, it was said that it was a protocolary visit.

An hour later, Fujimori was feted by the Tokyo-(Kaykan) Chamber of Commerce whose president, in a brief speech, recalled talking with Fujimori in each of the four visits he has paid to Japan. He praised Fujimori's effort to implement reforms in Peru.

In turn, the Peruvian president predicted that Peru will become the most stable and secure country in the Andean region. He urged Japanese businessmen to buy the 150 public enterprises that are up for privatization.

[Begin Fujimori recording] Japanese cooperation became evident with Prime Minister Mayazawa's announcement granting 13 important credits, including one for $20 million for the health sector. Other financing included a cofinancing projects with the Inter-American Development Bank, a $24 million donation to purchase machinery to build road, particularly access roads in new towns, and $6 million to purchase machinery and equipment needed for agricultural development. [end recording]

Business Group Visits China To Promote Trade

PA3005194993 Lima Radio Programas del Peru Network in Spanish 1800 GMT 28 May 93

[Text] A Peruvian business delegation is currently visiting the People's Republic of China [PRC] to strengthen commercial ties between the two countries. Gabriel Garcia, Peruvian ambassador to Beijing, said he has confidence in the continued growth of the Chinese economy. He said that such relations will be beneficial for the two parties. The delegation, which was invited to China by the International Trade Promotion Council of China, is made up of 50 Peruvian businessmen led by Gonzalo Garland, the chief of the Peruvian section of the Permanent South Pacific Commission. After their three-day visit in Beijing, the businessmen will travel to the south to review the results of the economic policy reforms in Canton and the (Shenhsien) special economic region, before leaving the PRC on 3 June.

Article Assesses Outcome of APRA Plenary Session

PY0306183393 Lima EL COMERCIO in Spanish 26 May 93 p A4

[From the "Unconfirmed" column by Alfonso Baella Tuesta]

[Text] The APRA [American Popular Revolutionary Alliance] party did not get much out of its latest plenary session.

Its organizers contrived a way so that the outcome of the session would not alter one iota the basics of the whole apparatus that Alan Garcia set up before going into self-imposed exile in Bogota.

How did all the attempts to streamline the party conclude?

Virtually in the street, because all the grass-root leaders that intended to make new proposals were unable to take part in the discussion. Only those who had instructions to confirm the current party's line were able to participate.

Alan Garcia is still the APRA secretary general in exile; Armando Villanueva del Campo is still the APRA secretary general in Peru; and Agustin Mantilla is still the secretary for organization.

All the other top leaders, including Luis Alberto Sanchez, were virtually confirmed, with the exception of Jorge del Castillo, who is allegedly one of the few within the APRA machine who does not agree to Villanueva holding the general secretariat.

It is odd that decisions should have been made concerning party authorities at a plenary session that is not empowered to do so. A special congress should have been called to fulfill this task, but this alternative was rejected.

The conjecture that everything moves, everything changes, and everything evolves within APRA is clearly proven by the fact that those who used to hold honorary posts now have real ones, and those who used to have real posts now have honorary ones; but with an additional common denominator—they are all the same old people.

Military Court To Try Military, Police Cases

PA0206225393 Lima Panamericana Television Network in Spanish 1200 GMT 28 May 93

[Text] Trials of soldiers and police are to be handled solely by military courts, according to a bill approved by the Defense Committee of the Democratic Constituent Congress [CCD]. Committee Chairman Gilberto Suira gave further details.

[Begin recording] [Siura] Yes, it is true. This is a constitutional law bill that states that for the duration of the special circumstances that exist in the country, crimes perpetrated by soldiers and police who are involved in the fight against subversion will be handled solely by the military court.

[Unidentified reporter] Why was the decision made?

[Siura] Because CCD members stated the Constitution did not assign jurisdiction for crimes perpetrated by the

Armed Forces during the special circumstances prevailing in the country. For that reason, the Change 90 bloc members, with the support of other blocs, submitted a constitutional bill to resolve the matter. We must understand that as long as special circumstances prevail in the country, as long as the war on subversion continues, crimes perpetrated by those involved in this struggle must be decided exclusively by the military courts.

[Reporter] So this means that as long as President Alberto Fujimori is at the helm of this government all cases involving military where one might say human rights were violated will be investigated solely by the military courts and not the congressional investigating committees?

[Siura] The investigating committees will continue their work, but the military courts must conduct the investigations and legal process. President Fujimori announced that at the end of 1995 the work against subversives should be totally finished and subversion should be finished in the country.

[Reporter] What if the congressional investigating committee needs a soldier's testimony? Would the military not be able to testify, as it has happened in La Cantuta case?

[Siura] We have settled this difference, and we are assigning total responsibility to the military court. [end recording]

Supreme Court Absolves Journalists of Terrorism

PY0306220593 Lima EL COMERCIO in Spanish 25 May 93 p A1

[Excerpt] The Supreme Court's "faceless" tribunal yesterday absolved journalist Danilo Quijano Silva, charged with terrorist crimes, and nullified a "faceless" regional superior court ruling sentencing him to five years in prison and a fine of 1 million soles.

It also absolved journalist Rosa Neyra Salmavides, charged with terrorism for having worked for the weekly CAMBIO, an MRTA [Tupac Amaru Revolutionary Movement] mouthpiece.

Both journalists will not be leaving the "Castro-Castro" prison—where they have been imprisoned for several months—for the next few hours because the Liaison Office, in charge of releasing prisoners, was closed when the ruling was issued. [passage omitted]

Army Troops Rescue 500 Indigenous People from Shining Path

PY0306220793 Lima EL PERUANO in Spanish 22 May 93 p 1

[Text] Satipo—Army forces, supported by peasant defense patrols, in the last few days rescued some 500 Ashaninkas indigenous people who were abducted by the Shining Path terrorist group and mistreated and enslaved.

Nicolas Hermoza Rios, Armed Forces Joint Command chairman, yesterday visited several Ashaninkas communities and, upon verifying the rescued people's situation, gave them some medicine, foodstuffs, and provisions.

Hermoza Rios stressed the overall work of the peasant defense patrols and the Army because, thanks to organizational work, terrorism is being defeated and important Shining Path leaders are being arrested.

He said that thanks to this organized work it has been possible to rescue hundreds of native Ashaninkas people who had been evicted from their land and mistreated and enslaved, as reported by the peasants.

Some 250 rescued indigenous people belong to the communities of Cutivireni, 100 kms from Valle Esmeralda and 150 kms from Ciudad de Dios.

Drug Traffickers Use Apurimac River Valley as New Route

PY0306210593 Lima EL COMERCIO in Spanish 22 May 93 p A10

[By "special correspondent" Luis Garcia Panta]

[Excerpt] Santa Lucia, Tocache—Due to the FAP [Peruvian Air Force] air patrol and control of the Upper Huallaga, Colombian drug traffickers have found a new route in the Apurimac River Valley for their illegal operations of collecting cocaine paste.

The drug traffickers' airplanes can land on the clandestine airstrips built there with the "guarantee" rendered by some bad members of the area Peasant Defense Patrols, who own not only shotguns but grenades and sub-machineguns.

On other occasions, active Shining Path members were in charge of providing "security" to the drug traffickers for their illegal operations.

According to reports, Colombian airplanes manage to fly in Peruvian air space not only through the Amazon Trapezium (a region encompassing Leticia, Caballococha, and Tabatinga), but also through the Brazilian jungle bordering Ucayali to prevent interception by FAP aircraft.

A judicial source who participated in an incursion in the Apurimac River Valley reported that some weeks ago a clandestine airport was located near Palmapampa (15 miles south of Luciana, La Mar Province, Ayacucho).

However, the police patrol deployed there to prevent a "narco" plane from taking off with the drugs, was daringly surrounded by a large number of "Peasant

Defense Patrol members," some of them carrying UZI sub-machineguns, light automatic rifles, and cluster grenades.

This action threatened prosecutors and policemen, who had to withdraw from the site to avoid a useless confrontation.

The new jurisdiction where coca is planted is located within the boundaries of the provinces of La Mar (Ayacucho), Andahuaylas (Apurimac), and La Convencion (Cuzco), through where the Ene and the Apurimac Rivers irrigate that forested area, which is violently disrupted by terrorism. [passage omitted]

Fusarium Being Used To Eliminate Coca Plantations

PY0306171493 Lima EL COMERCIO in Spanish 25 May 93 p A7

[Text] Coca plantations are being subjected to contolled elimination through the intervention of Peruvian and U.S. Government experts who are "spreading" a fungus called "fusarium" in Upper Huallaga.

Engineer Luis Gomero, director of the Action Network in Alternatives for Use of Agrochemicals (RAAA) [Red de Accion en Alternativas al Uso de Agroquimicos], is in charge of studying substitutes for pesticides and chemicals. He has reported that the success of the system in the Upper Huallaga to eradicate plantations through the use of this fungus is relative.

He said that although his institution is not handling that program, because it is dedicated to studying the production of foodstuffs for the population, he is aware that coca has been inoculated with that fungus to gradually eliminate the plantations. He added that the fungus attacks the leaf and the growing point and, as far as he knows, it does not affect the quality of the soil that can be used for other crops.

Gomero said that in his opinion the program being implemented in Upper Huallaga is not the most adequate solution.

Venezuela

Party Presidents Review Agreement To Appoint Velasquez

PA0306182093 Caracas Venezolana de Television Network in Spanish 1550 GMT 3 Jun 93

[Text] Democratic Action [AD] Secretary General Luis Alfaro Ucero is meeting with Jose Curiel, his counterpart in the Social Christian Party [Copei], to do a final review of the agreement to appoint historian Ramon J. Velasquez acting chief of state. Later this afternoon the two secretaries will advise acting Congress President Luis Enrique Oberto about the positions the two parties will present on 4 June during the joint congressional session.

President Carlos Andres Perez said that the possibility of appointing Ramon J. Velasquez as acting president by consensus was very positive. He made the statement during the presentation of the Correspondent's Guide, which is published by the Association of Foreign Correspondents in Venezuela. When asked about Velasquez' qualifications to occupy the Presidency, Perez said the author's experience would be very positive for our democratic system.

Interim President To Appoint Consultive Councils

PA0406022493 Caracas Venezolana de Television Network in Spanish 2350 GMT 3 Jun 93

[Report by Jose Marcano]

[Text] Senator Ramon J. Velazquez, in accepting his appointment to conclude this constitutional term as president of the Republic, stated that he plans to govern with the advice of four consultative councils.

After concluding a closed door meeting with representatives from several National Assembly blocs, Ramon J. Velazquez spoke with reporters and said he responsibly accepts the mission he has been charged with. He added that he does not pretend to know it all, and neither does he believe in magicians. He explained that as president he does not plan to perform any miracles and that his administration will be based on consensus by creating four permanent consultative councils. One of the councils will be of a social character because in implementing his economic program he will need to evaluate how this program will affect the population.

Ramon J. Velazquez added that his duties will not entail carrying out what others failed to do. With respect to the entitlement legislation [ley habilitante], he said that only if it is necessary will he request it. With respect to fiscal legislation, he said that his approval will depend on the outcome of the consultations his advisers undertake. He plans to call for the resignation of all current cabinet ministers. The only ones who will remain are those he considers are doing a good job.

[Begin Velazquez recording] I am not a know-it-all. There is a lot I do not know. I like to appeal to the knowledge and goodwill of those who do know. I will be calling on the nation's fiscal experts and on those who are already part of the administration to evaluate of the situation. Based on this evaluation, and also by taking into consideration the team I am trying to form, which includes not only the finance minister or [word indistinct] and development, but also through a special consultative council, I will take the necessary measures. The final responsibility is solely mine. [end recording]

The appointment of Ramon J. Velazquez as interim president of the Republic will be reaffirmed on 4 June, when the National Assembly is scheduled to vote on the issue.